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September 26, 1985

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Special Issue

Advertising Age

Crain's International Newspaper of Marketing

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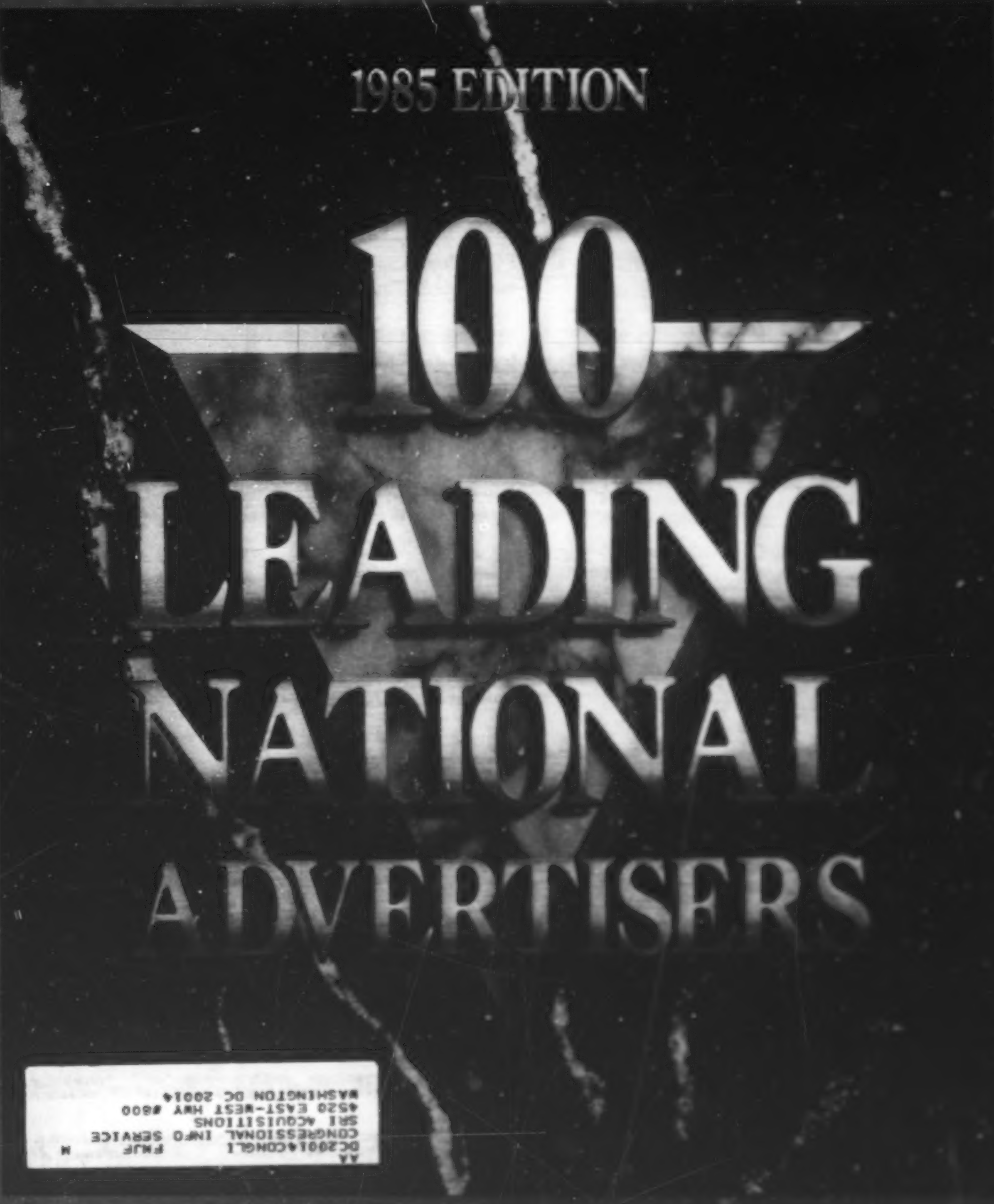

1985 EDITION

100 LEADING NATIONAL ADVERTISERS

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NEWSPAPER

September 26, 1985 Special Issue

Advertising Age

Crain's International Newspaper of Marketing

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P&G retains ad spending crown

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By R. CRAIG ENDICOTT

Procter & Gamble Co. flexed its ad muscle in 1984 to hold off serious challenges from General Motors Corp. and Sears, Roebuck & Co. in remaining the No. 1 national advertiser in the U.S. with spending estimated at $872 million, according to the 30th consecutive report on the 100 leading advertisers published by ADVERTISING AGE.

P&G, the perennial leader that was nearly dethroned in 1983 by this year's No. 3 advertiser, Sears, Roebuck & Co., is expected to be overtaken in 1985 by the combined advertising of No. 5 R.J. Reynolds Industries and No. 21 Nabisco Brands following their merger in 1985. Had the two companies merged in 1984, their total spending would have been $1.01 billion.

P&G increased its 1984 advertising 11.5% and was expected to do the same in 1985, even though it reported its first drop in earnings in 33 years at the close of fiscal year 1985, ended June 30. That performance, its worst yet in 1984, is not far out of line in a year in which many of the top 100 advertisers reported either reduced sales or declining profits.

Advertisers during 1984 for the most part kept to the philosophy that when times get tough the ad gates must open. Proof is in the 13% aggregate advertising spending increase from 1983, a good financial year, when outlays for advertising and promotion were 10.9%. The 1984 ad increase surpassed that of 1982 when advertisers sought to rejuvenate sales by increasing ad spending 13.2%.

The year also was one of great marketing creativity. Advertisers got together for some rather unusual merchandising schemes: Shredded Wheat (No. 21 Nabisco) munchers got $5 off their Sprint (No. 82 GTE) long-distance telephone service with redemption of box tops; Mountain Dew (No. 15 PepsiCo Inc.) bottle caps earned a discount at RBC Records (No. 33 RCA); a joint promotion dubbed "tax-vital" linked H&R Block and Alka-Seltzer (No. 74 Bayer AG); Beech-Nut (No. 39 Nestle) baby food touted its parenting of branded goods such as Chiquita bananas.

It was a year that also enlightened the world with "Rambo" guts, a scrap-sell-like shred (No. 93 Wm. Wrigley Jr. Co.), and licensed cereals from No. 14 Ralston Purina: Rainbow Brite, Gremlins, Cabbage Patch Kids and G.I. Joe Action Stars.

Over-all, the top 100 advertisers spent $22.50 billion in national advertising in the U.S., up from $19.40 billion in 1983. Of the total ad spending, $13.46 billion was in the nine media measured in this report, up 15.5% from 1983.

The difference between the total ad spending and measured media is the so-called unmeasured media total of $9.04 billion, up 16.6% from the prior year. Unmeasured media spending represents money that went into such support services as coupon efforts, direct mail, product sampling, premiums and promotions, point of sale, special events and trade shows.

The measured media include network and spot tv, network and spot radio, magazines, newspapers (only national advertising), network cable, outdoor advertising and farm publications. With total advertising in the nine media for all advertisers in the U.S. measured at $25.17 billion, the AD AGE top 100 accounted for 53.5% of all advertising spent in the those media. *(See chart on Page 154.)*

The second 100 leading advertisers monitored by AD AGE in the June 13 issue accounted for 11% of the nation's total for the nine measured media. Those percentages give the nation's top 200 advertisers a 64.5% share of total measured media spent by all advertisers in 1984.

Advertising in 1984 was spent in a dollar-inflated world market that saw total sales in dollars of the top 100 increase only 5.3% from 1983, although U.S. sales, accounting for 60% of the worldwide total, improved a healthy 14%.

U.S. advertising as a percentage of sales thus improved from 3.2% in 1983 to 4.0% in 1984, an increase affected by both lower sales and higher advertising. However, 10 companies on the list cut their ad budgets. Poor financial returns usually accompanied the reduced advertising.

Two of those companies, No. 99 Eastern Air Lines and No. 75 Volkswagen of America, suffered losses in earnings, although the losses were improvements over the previous year. Worldwide sales for No. 45 Sterling Drug, which gathers 35% of its revenues from abroad, dropped 3.8%; No. 30 Colgate-Palmolive's worldwide sales increased only 0.9%, and three others with reduced ad spending had sales gains of less than 5%.

One of the biggest shifts on the top 100 chart was made by No. 2 General Motors, which made a run at P&G as the auto maker increased its advertising 13.2% to $763.8 million, or 1.1% of its U.S. sales of $69.36 billion. GM led a pattern among the auto makers of funneling more ad support dollars into the local markets during 1984. GM rose from No. 4 in 1983, passing Sears, Roebuck & Co., which fell to No. 3 this year. GM also appears among the top 25 advertisers in all nine media—the only one to do so.

International Business Machines charged from No. 58 in 1983 to No. 18 in 1984 on the basis of heavy spending of $332.5 million on the IBM PCjr, a personal computer whose sales forced No. 77 Apple Computer out of its leading market share slot. But sales didn't

(Continued on Page 2)

R. Craig Endicott is ADVERTISING AGE*'s profile issue editor.*

100
LEADING
NATIONAL
ADVERTISERS

Cover graphics by Avalon Studio

100 leading national advertisers by rank ($000)

Rank	Company	Advertising	Rank	Company	Advertising	Rank	Company	Advertising
1	Procter & Gamble Co.	[illegible]	35	Kellogg Co.	[illegible]	69	Cosmair Inc.	[illegible]
2	General Motors Corp.	[illegible]	36	Loews Corp.	[illegible]	70	Jos. E. Seagram & Sons Co.	[illegible]
3	Sears, Roebuck & Co.	[illegible]	37	General Electric	[illegible]	71	Batus Inc.	[illegible]
4	Beatrice Cos.	[illegible]	38	Tandy Corp.	[illegible]	72	AMR Corp.	[illegible]
5	R.J. Reynolds Industries	[illegible]	39	Nestle Enterprises	[illegible]	73	Clorox Co.	[illegible]
6	Philip Morris Inc.	[illegible]	40	Warner Communications	[illegible]	74	Bayer AG	[illegible]
7	American Telephone & Telegraph	[illegible]	41	CBS Inc.	[illegible]	75	Volkswagen of America	[illegible]
8	Ford Motor Co.	[illegible]	42	Mobil Corp.	[illegible]	76	Canon Inc.	[illegible]
9	K mart Corp.	[illegible]	43	American Express Co.	[illegible]	77	Apple Computer	[illegible]
10	McDonald's Corp.	[illegible]	44	ITT Corp.	[illegible]	78	Union Carbide Corp.	[illegible]
11	J.C. Penney Co.	[illegible]	45	Sterling Drug Co.	[illegible]	79	E.I. du Pont de Nemours	[illegible]
12	General Foods Corp.	[illegible]	46	Gillette Co.	[illegible]	80	Wendy's International	[illegible]
13	Warner-Lambert Co.	[illegible]	47	Nissan Motor Corp.	[illegible]	81	S.C. Johnson & Son	[illegible]
14	Ralston Purina Co.	[illegible]	48	Richardson-Vicks	[illegible]	82	GTE Corp.	[illegible]
15	PepsiCo Inc.	[illegible]	49	Quaker Oats Co.	[illegible]	83	Pfizer Inc.	[illegible]
16	American Home Products	[illegible]	50	Gulf & Western Industries	[illegible]	84	Stroh Brewery Co.	[illegible]
17	Unilever U.S.	[illegible]	51	Chesebrough-Pond's	[illegible]	85	Hasbro Inc.	[illegible]
18	International Business Machines	[illegible]	52	Schering-Plough Corp.	[illegible]	86	Greyhound Corp.	[illegible]
19	Anheuser-Busch Cos.	[illegible]	53	Campbell Soup Co.	[illegible]	87	Kimberly-Clark Corp.	[illegible]
20	Coca-Cola Co.	[illegible]	54	Mars Inc.	[illegible]	88	Hershey Foods Corp.	[illegible]
21	Nabisco Brands	[illegible]	55	Adolph Coors Co.	[illegible]	89	MCA Inc.	[illegible]
22	Pillsbury Co.	[illegible]	56	Revlon Inc.	[illegible]	90	Grand Metropolitan p.l.c.	[illegible]
23	Chrysler Corp.	[illegible]	57	Toyota Motor Sales Corp.	[illegible]	91	Noxell Corp.	[illegible]
24	Eastman Kodak Co.	[illegible]	58	Beecham Group p.l.c.	[illegible]	92	Mazda Motor Corp.	[illegible]
25	Johnson & Johnson	[illegible]	59	UAL Inc.	[illegible]	93	Wm. Wrigley Jr. Co.	[illegible]
26	U.S. Government	[illegible]	60	American Honda Motor Co.	[illegible]	94	American Broadcasting Cos.	[illegible]
27	American Cyanamid	[illegible]	61	Time Inc.	[illegible]	95	Delta Air Lines	[illegible]
28	General Mills	[illegible]	62	American Brands	[illegible]	96	Trans World Airlines	[illegible]
29	Dart & Kraft	[illegible]	63	Mattel Inc.	[illegible]	97	Goodyear Tire & Rubber Co.	[illegible]
30	Colgate-Palmolive Co.	[illegible]	64	Xerox Corp.	[illegible]	98	Cotter & Co.	[illegible]
31	Bristol-Myers Co.	[illegible]	65	IC Industries	[illegible]	99	Eastern Airlines	[illegible]
32	Sara Lee Corp.	[illegible]	66	CPC International	[illegible]	100	Van Munching & Co.	[illegible]
33	RCA Corp.	[illegible]	67	Levi Strauss & Co.	[illegible]			
34	H.J. Heinz Co.	[illegible]	68	American Motors Corp.	[illegible]			

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Ad spending

(Continued from Page 1)

meet expectations, and IBM discontinued the model, dubbed the Peanut, in its second year of production.

Apple, in the meantime, pumped heavy dollars into its more sophisticated Macintosh to rise from No. 128 in 1983 to No. 77 in 1984. The spending—8.4% of sales in 1984 vs. 4.6% in 1983—helped Apple generate a 54% increase in revenues to $1.52 billion. However, beginning in mid-1985, the blush left the computer industry and Apple, now characterized by fading sales, a major reorganization, the absence of its two youthful founders and wholesale layoffs.

No. 3 Sears, the nation's largest retailer, experienced an 8% increase in both sales and net income although operating income dropped 12.1% in 1984, the latter a precursor of more difficult times in 1985. The company's merchandise group, accounting for 68% of total revenues in 1984, in the first six months of 1985 reported revenue gains of less than 1% and a drop in net income of 27%.

Retailers, whose financial returns have been mixed, seem to have adopted the same "unique selling proposition" by spending ad money promoting the idea that each offers a store within a store—"the seven worlds of Wards" (No. 42 Mobil Corp.); couture apparel lines within the mass merchandise aisles at J.C. Penney Co. (No. 11); "there's more for your life [*i.e.* financial services, insurance, real estate, merchandise] at Sears," and the "Store of the '90s" at No. 9 K mart Corp., which is inserting branded goods (the Jaclyn Smith line, for example) into its low-cost image and adding insurance and financial services to its racks while running up a big debt through acquisition.

Newcomers to the chart included two retail-oriented units: Hardware retailer No. 98 Cotter & Co. made its first appearance among the top 100, and retail-supplier No. 67 Levi Strauss & Co. returned after a four-year hiatus.

Publicly traded Levi Strauss, which has been repurchased in 1985 by the founding Strauss family, rose from No. 105 in 1983 primarily because of spending in support of its sponsorship of the Olympics. The company reported declines in both sales and earnings for the year and admits sales in its Olympics-related goods were not as strong as expected.

Cotter, a cooperative of True Value hardware and variety-store dealers, rose from No. 106 in 1983 primarily on the basis of its 182% increase in network tv spending to push the True Value store concept via Pat Summerall and local sports personalities.

Network tv again dominated the media totals for the top 100 advertisers, claiming $6.46 billion of their total measured spending, representing 75.5% of all advertising in the U.S. in that medium. In 1983, the 100 leaders contributed 74% of the total.

P&G maintained its lead in that medium, spending $412.7 million, or 47.3% of its total measured budget on network tv. P&G increased its spending in network tv by 12.6% over its 1983 level.

The U.S. Government and McDonald's Corp., No. 26 and No. 10 overall, respectively, doubled their budgets for the medium in 1984, making them the 24th and 10th largest advertisers in network tv.

Government spending increased primarily because of a $40 million sales program to raise money for the Olympics through the sale of Olympic coins. McDonald's, in a shift in market strategy, moved dollars away from spot tv and promotional spending for the big splash on network tv with a new campaign emphasizing food, folks and fun for the burger monarch that grilled its 50 billionth hamburger.

Spot tv again found P&G riding in the front seat, its $239.3 million expenditure considerably outpacing runnerup PepsiCo's $154.3 million. No. 22 Pillsbury Co., however, took the year-to-year percentage gain honors among the top 25 spenders in spot tv as it laid out $99.1 million, up 63.1% from 1983, to rank the Minneapolis-based company fourth among all advertisers in spot tv. The company's Burger King unit, with spending of $78.1 million in that medium, accounted for $32 million of the total Pillsbury increase for spot tv.

The 100 leaders' spot tv spending increased 8.5% to $2.70 billion in 1984, or 42.6% of all U.S. advertising in that medium of $6.32 billion.

In print (newspapers and magazines), where tobacco advertisers are among the largest contributors, spending for those industries was either down in both, or up in one and down in the other, a seesaw effect that robbed one to support the other.

No. 71 Batus (Brown & Williamson) and No. 62 American Brands (American Tobacco Co.) were down in both; RJR and No. 56 Loews (Lorillard) were up in magazines but down in newspapers; No. 6 Philip Morris Inc. was up in newspapers but down in magazines. Only No. 90 Grand Metropolitan p.l.c. (Liggett & Myers) among the cigaret marketers showed gains in both print media.

In magazines, the nation's two tobacco behemoths, RJR and Philip Morris, held down the top two rungs among all advertisers with total expenditures of $193.8 million and $140 million, respectively. No. 70 Jos. E. Seagram & Sons registered one of the larger declines (16.9%) among leading advertisers in magazines. Most of Seagram's total advertising decline of 3.2%, which dropped the company from No. 57 in 1983, came out of magazines, where Seagram spent 32.7% of its advertising in 1984.

The 100 leaders contributed $2.21 billion in consumer magazine spending, up 16.1% from 1983, in taking a 47.3% share of all U.S. advertising in that medium in 1984. U.S. magazine spending rose 18.5% to $4.67 billion as over-all share of the 100 leaders declined from 48.3% in 1983.

No. 18 IBM spent heavily in both, boosting magazine spending 132.2% to $63.1 million and newspaper spending 207.5% to $36 million. American Telephone & Telegraph (No. 7), an IBM competitor now that that company has linked up with MCI, boosted its spending 29% to $79.1 million in magazines, but dropped newspaper expenditures 19.2% to $58.2 million.

GM was the largest national newspaper advertiser, spending $109.4 million in that medium, up 23.6% from the previous year, although only 14.3% of the company's total ad spending.

In fact, advertising increased across the board for virtually all auto advertisers making the top 25 lists for print—No. 8 Ford, GM and No. 23 Chrysler appeared in the top 25 lists in both magazines and newspapers, increasing their advertising substantially over 1983 levels. No. 47 Nissan Motor Corp. and No. 37 Toyota Motor Sales Co., appearing among the top 25 newspaper advertisers, both pruned their ad budgets. Only No. 75 VW among the auto companies suffered a decline in print—down 11.6% in magazines.

GrandMet's (Liggett & Myers) boost in newspaper spending accompanied a sizable market share growth from a 4.8% share in 1983 to a 5.8% share in 1984—a rather dramatic move in a cigaret market that has shown little growth in the past few years.

Cigaret marketers, however, imitated the retailers in coming up with the same marketing scheme going into 1985—the introduction of the 25-cigaret pack at the same price as the 20-cigaret pack. PM introduced its 25-unit Marlboro brand in early 1985, RJR introduced Century 25s in August, 1985, and Batus (Brown & Williamson) launched its Richland brand touting "five free per pack" in early 1985.

The airlines also raced tobacco marketers in reducing advertising allocations for newspaper. No. 95 Delta Air Lines' spending in the medium dropped 17.2%, No. 96 Trans World Airlines dropped 2.3% and No. 99 Eastern Air Lines fell 16.9%. All three, which are ranked among the top 25 advertisers in that medium, are laboring in a cutthroat market marked by spiraling operating costs traced to high wage contracts and benefit packages and low-cost regional competitors, such as People Express, which are cutting into margins by forcing the major airlines to pare their rates.

With tobacco marketers and airlines among the 100 leading advertisers reducing their spending, the 100 leaders as a group dropped from 36.8% of total national newspaper spending of $2.57 billion in 1983, to 31.2% of total U.S. spending of $3.16 billion in the medium in 1984.

Outdoor advertising—a medium relying heavily on tobacco advertising—faced the similar plight of newspapers as RJR, PM, Loews, Batus, American Brands, each among the top 25 spenders in the medium, cut spending. Again, GrandMet was the lone holdout. Picking up the slack were beer advertisers: No. 84 Stroh Brewery Co. hiked advertising 144.1%; No. 19 Anheuser-Busch Cos., 36%, in outdoor.

Outdoor, which registered a year-to-year increase of 0.7% to $73 million among all advertisers in 1984, saw the 100 leader's share of the total decline to 45.3% from 53% in 1983.

The top 100's 7.6% increase in spot radio spending to $485 million, dropped the group from 40.6% of total spending in the medium in 1983 to 36.4% of the $1.33 billion spent on spot radio in 1984.

Anheuser-Busch was the nation's leading user of spot radio, spending $38.3 million in the medium, down 5.9% from the prior year. While No. 55 Adolph Coors Co. answered the A-B decline with one of its own—12.3%—Stroh Brewery pushed spot radio advertising upward 28%. No. 100 Van Munching & Co., however, increased its advertising in the medium for its import brands, Heineken, Amstel Light and Grizzly, by 110% to $30.7 million, ranking it third in the medium. Apple Computer led all top 25 advertisers in spot radio in year-to-year spending with a 275.9% increase in 1984 over 1983.#

WHO SAYS SEARS ISN'T A
R I O T

Department stores offer more for your life than ever before. Sears has not only gone boutique in merchandise as exemplified by the Silver Unicorn collection filling this tub in the south 40, but in services—financial, real estate, life insurance. Montgomery Ward is trying to revive sales through a stylish remake as demonstrated in this chic direct mail piece. Wards is also dropping the publication of its catalog.

Seagram, bridled by the growing anti-alcohol sentiment, sought to buy airtime on the three networks with this ad equating the alcohol contents of beer, wine and liquor. No dice, said the nets, who don't run ads on liquor. Undaunted, Seagram took its message to print.

Now we're cooking
Tupperware

Tupperware in the oven! Check out your dealer during her office break pitch or delayed rush hour. Those are her new hours—directed from the front office to revive sales.

Things Are Changing At Montgomery Ward

Beatrice

Beatrice's planting of the red banner on its various foods in an attempt to cast an umbrella of quality over its product multitude is symbolic of the company's drive to put order to its house after Hunts, Avis, Danskin, Halston, Jhirmack, Johnnie Walker, Max Factor, Orville Redenbacher, Playtex and STP came to dinner with the Esmark merger.

HEINZ
TOMATO KETCHUP

Ketchup, first recorded in America in 1779, is good to Heinz and sauce to investors who got this bottle delivered on a quarterly statement.

This helps keep it from coming back.
Introducing New Tartar Control Crest.

News entries in the $1 billion dentifrice market are the tartar control toothpastes. P&G brought its Crest tartar line to the market in 1984, but found itself facing a $40 million campaign backing early-comer Dentagard from rival Colgate-Palmolive.

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Leading 100 hike spending 16%

100 LEADING NATIONAL ADVERTISERS

The top 100 advertisers spent $22.5 billion in total advertising in 1984, divided into $13.46 billion in nine measured media (53.3% of all national expenditures in those media) and $9.04 billion in unmeasured advertising.

100 LEADING NATIONAL ADVERTISERS

American Brands

RANK 62

New York

($ figures – 000,000)

Worldwide	1984	1983	% chg
Sales	6,995	7,093	-1.4
Net income	414	390	6.1
U.S.			
Sales	3,065	3,048	0.6
Operating profits	551	536	2.7
Advertising	133	122	9.0
Division sales			
Tobacco prods.	4,229	4,417	-4.3
Hardware/security	519	462	12.3
Distilled beverages	246	241	2.2
Office prods.	336	319	5.3
Food prods.	494	479	3.0
Other	1,171	1,175	-0.3

American Brands, the 62nd largest national advertiser in 1984 with an estimated $133 million spent on U.S. advertising, up 9% over the previous year, continued to perform marginally in tobacco and liquor markets during the year, increasing total earnings by 6% on a decline of 1% in sales.

U.S. sales for New York-based American Brands, which accounted for about 44% of the company's total, remained static, climbing only $17 million in 1984 to $3.1 billion. Almost half of those sales came from the company's domestic tobacco operations and were supported by more than 50% of the company's measured advertising spending.

Advertising expenditures in the U.S. were an estimated $133 million, up 9% over the previous year. Worldwide, advertising costs at American Brands were $241.9 million, up 3% over the previous year, according to the company.

The company, however, continued its downward trend of placing less advertising in U.S. measured media. In 1984, AB spent an estimated $68.8 million, down 9% from 1983. Peak year for measured ad spending at American Brands remains 1981, when it totaled $82.2 million.

American Brands, because of its large international operations, felt the effects of the strong U.S. dollar in 1984. Although American Brands through American Tobacco's Gallaher Ltd. subsidiary had record sales and earnings in pound sterling, sales in translated dollars dropped 5.1% to $2.82 billion in 1984 and operating profit slid 7% to $114.3 million.

Domestically, American Tobacco and American Cigar, AB's two U.S. tobacco units, had operating income of $382.4 million, up 3% from 1983, on sales of $1.41 billion, down from $1.44 billion in 1983. As a whole, AB had net earnings of $414.1 million on sales of $6.995 billion.

Performance of the tobacco segment in 1984 was directly related to new product introductions. New styles of Carlton and Lucky Strike contributed as did across-the-board price increases for tobacco products in June, 1984, and another on selected brands in December.

New Carlton Slims Deluxe 100s, filter and menthol, were introduced nationally in September, supported by $3.3 million in six-media advertising spending as measured by Leading National Advertisers, most of which was in magazines. With these latest introductions, Carlton, the pioneer low-tar brand and industry sales leader in the ultra-low-tar category, is now available in 10 styles.

Carlton brands received $21.4 million in measured advertising support, according to LNA. As with the new product introductions, magazines claimed most of the dollars. Outdoor picked up the rest, some $8.8 million.

Two new Lucky Strike brands made their appearance in 1984. In February, Lucky Strike Low Tar 100s made its debut, and by July Lucky Strike Lights in kings and 100s went to market. The Lucky Strike filter line was supported by a major advertising and promotion campaign and achieved sales gains for the third consecutive year, according to the company.

Despite that, ad spending for all Lucky Strike brands was down for the year. LNA measured expenditures for 1984 totaled $11.2 million, off 13.2% from 1983.

Lucky Strike and Pall Mall, another American Tobacco brand, dominate the nonfilter category, together claiming almost 60% of that market. Pall Mall Red, the sixth-best selling cigaret in the U.S., receives no measured advertising support. In 1983, the entire Pall Mall product line was backed by $7.6 million in measured advertising. But last year, that figure was cut to $3.4 million, all of it going toward Pall Mall Light 100s.

American Tobacco's low-tar line includes the industry's best-selling charcoal filter brand, Tareyton, as well as Tareyton Lights and Silva Thins. None of these brands received measured ad support in 1984.

Over-all, the company's share of the domestic cigaret market continued to decline, down to 7.9% from 8.6% in 1983.

Following the industrywide trend, American Cigar experienced lower sales. American Cigar manufactures La Corona and Roi-Tan cigars and Antonio y Cleopatra, the division's largest profit producer. Media spending, primarily for its popular Grenadiers brand, was less than $500,000.

American Tobacco's British subsidiary, Gallaher Ltd., experienced a slight share increase in the U.K. cigaret market from 32% in 1983 to 33% in 1984. Benson & Hedges' Special Filter is the leading brand in the U.K. and Silk Cut is the No. 1 low-tar cigaret.

Gallaher is preparing to launch a "world-brand" type campaign for Silk Cut this October. Saatchi & Saatchi, which has done single-theme international campaigns for British Airways, is handling. The campaign is scheduled to start with the U.K. market, then move to the rest of Europe.

Though American Tobacco, founded in 1890, is the core business of American Brands, it is by no means going it alone. American Brands also offers financial services and office products, distilled beverages, food products, hardware and security, golf products, optical goods and services and personal care products.

In 1984, American Brands boosted its financial services segment in January with the acquisition of Southland Life Insurance. Previously, this segment had consisted solely of Franklin Life Insurance.

Total segment revenues last year, which are not included in consolidated net sales, were $858.3 million, up 47% from 1983. Total operating income, which is consolidated, was up 31% to $172.9 million, an increase brought about by the inclusion of Southland. Southland spent only a modest $17,300 in 1984, all in outdoor, according to LNA.

A major business emerging at American Brands is the office products segment, which includes Wilson Jones Co., formerly headed by Edward W. Whittemore who is now American Brands' chairman; Offrex Group, a British subsidiary of Gallaher; Master Lock, the world's largest padlock manufacturer, and Pinkerton's security and investigative services.

The office products segment had operating income of $33.8 million in 1984 on sales of $335.5 million, representing gains of 8% and 5%, respectively. To Wilson Jones' Ambassador line of shredders was added a line of high-security cross-cut particle shredders and the first portable shredder for computer printouts.

Swingline, which holds 70% of the U.S. stapler market, did not record any measured ad spending in 1984 after a modest $241,600 was spent on the product in 1983.

While the so-called "cookie wars" intensified, the Sunshine Biscuits division used a diversionary tactic by introducing a seven-item line of American Heritage snack crackers. It was termed the biggest new-product introduction in the company's history.

Sunshine chose to promote the regional diversity of the crackers, utilizing such names as Wisconsin-style cheddar and New York-style rye. Heavy trade deals dominated the marketing strategy. Consumer advertising was limited to a free-standing insert in September and a holiday promotion at yearend.

Apparently taking note of No. 1 Nabisco Brands' Almost Home and Chewy Chips Ahoy! and No. 2 Keebler's Soft Batch cookies, as well as other entries in the soft cookie market, No. 3 Sunshine decided it was the right time to carve a larger niche in the snack-cracker market. The American Heritage line was added to Cheez-its, Hi-Ho and Wheat Wafers.

All this activity resulted in the division's higher sales volume of $493.8 million, a 3% gain, but the cracker line introduction and the intense competition in the cookie sector took its toll on profits, off 14% from 1983 to $28.6 million.

The distilled beverages sector, paced by Jim Beam, the world's best-selling bourbon, outperformed the industry in posting record sales and operating results for the ninth consecutive year. Operating income for the sector rose 7% to $39.3 million on a 2% sales gain of $246.4 million.

While liquor sales industrywide continued to slide, sales of Jim Beam climbed. Jim Beam directs promotion for its bourbon to the younger consumer. It also stages the Jim Beam Stakes, a major Thoroughbred horse race, and in 1984 introduced the duck stamp decanter series featuring the artwork of federal duck stamps purchased by hunters. *Impact*, the wine and distilled spirits industry newsletter, ranked Jim Beam the fifth leading brand among all distilled spirits based on its case depletions of 4.04 million, a 2.5% increase from 1983. Jim Beam is one notch ahead of Brown-Forman's Jack Daniel's Black bourbon, whose 1984 case depletions of 3.7 million were down 1.6% from the previous year, notes *Impact*.

Each of the Jim Beam promotions was backed largely by magazine advertising, accounting for $2.2 million of the brand's nearly $2.7 million spending according to LNA, which tracks spending in six media. Outdoor got the balance.

Taylor Food Products, a Beam subsidiary and producer of the Mr and Mrs "T" Bloody Mary mix and other cocktail mixes, continued to achieve greater distribution of its products through supermarket and mass-merchandising outlets. New Mr and Mrs "T" products added in 1984 were Cream of Coconut, Strawberry Colada, Bloody Caesar and Hot Buttered Rum. Mr and Mrs "T" was supported in 1984 with $646,700 in measured ad spending, all of it in magazines.

American Brands continues in the forefront of the golf products industry with its Acushnet Co. products, which primarily include Pinnacle and Titleist golf balls. Acushnet had sales of $122.9 million in 1984, an 8% increase over the previous year, and operating income of $19.9 million, a 17% improvement. The Titleist Collection is the division's entry into the fast-growing golf apparel market. Shipments of slacks, skirts, sweaters and rainsuits to golf course pro shops began early in 1985. The company also is continuing its efforts to improve distribution in Japan, the world's second-largest market for golf products.

American Brands spent $5 million on its golf line on network tv and in magazines, up 11% from the previous year according to LNA.

The company spent $7.6 million in measured media on its personal care products in 1984, primarily on various items comprising Andrew Jergens Co. This compares with $6 million spent on personal care products in 1983.

The Jergens labels received $5.8 million in 1984, some $3.3 million of which supported Jergens Lotion, and $2.4 million backing Jergens Aloe & Lanolin Bar, according to LNA. The Jergens line received only $3.4 million in 1983 measured spending, some $3.1 million of that consumed by Jergens Lotion. Jergens, according to industry sources, is No. 2 in the $450 million hand-and-body moisturizer category with an 11% market share in dollars compared with market leader, Chesebrough Pond's Vaseline Intensive Care, at 19%. Keri lotion by Westwood Pharmaceuticals is No. 3 with an 8.4% share.

The Jergens' advertised line also includes Jergen's Gentle Touch soap, Jergens Aloe & Lanolin lotion & cream, Jergens Clear Complexion Bars and Jergens Lotion soap.

In addition to the Jergens' line, the company in 1984 largely funneled the rest of its ad spending for personal care products into Squeek shampoo where spending increased to $1.2 million from $600,000 in 1983 for shampoo and conditioner.

Fiesta deodorant soap, a new entry in 1982 that received $2.5 million in its introductory year and $2.6 million in 1983, got only $1,900 in measured spending in 1984, according to LNA.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers........	4,995	5,915
Magazines..........	31,583	35,473
Network cable.....	111	0
Spot tv.............	840	2,501
Network tv.........	9,832	8,608
Spot radio.........	87	30
Network radio.....	0	105
Outdoor............	11,894	12,950
Total measured..	59,341	65,581
Total unmeasured	73,659	56,419
Estimated total..	133,000	122,000

AMERICAN BRANDS
245 Park Ave.
New York 10167
(212) 557-7000

AMERICAN TOBACCO CO.
Marketing Personnel

W.J. Moore, vp-adv
N.H. Chester, media dir
W.C. Stevenson, mktg controller
M.J. O'Neill, mktg services dir
E.T. Bonnett, senior rsch analyst
H.W. Bahrenburg, prod mgr, Carlton
E.J. Gesell, prod mgr, Lucky Strike
J.A. McGinn, prod mgr, Pall Mall, Tareyton
J.J. Mellett, media mgr
W. Degenhardt, media super
C.H. Mullen, senior vp-sales
T.F. McGuire, mgr-sales operations
S. Roses, sales promo & merch dir

Advertising Agencies

Laurence, Charles & Free, New York—Carlton, Lucky Strike, Silva Thins—Albert Magnane, Malcolm Minor, vp-mgmt supers; Thomas Keane, R. LaFrance, acct supers.

SSC&B, New York—Pall Mall, Tareyton, Talls, all smoking tobacco—Doug Bomeisler, senior vp-mgmt super; Dan Bellucci, acct exec.

SUNSHINE BISCUITS
Sayreville, N.J.
Marketing Personnel

Joseph P. Simrany, vp-mktg
Alan B. Hiller, mgr-new business & specialty mktg
Harold B. Derstine, group prod mgr-crackers
Robert M. Lorys, group prod mgr-cookies
Hedy Britton, Richard Gomel, senior prod mgrs-cookies
Gerald Jantzi, William Shadrach, senior prod mgrs-crackers
Alexander Nichols, mgr-adv & mktg services
Carol Goggim, consumer relations super-home economist
Christine Dominik, mktg-consumer rsch coord

Advertising Agency

Sherwood & Schneider, New York—Marvin Schneider, chmn-ceo; Lew Sherwood, president; Brendan Hawk, exec vp-genl mgr; Craig Bernard, acct super.

FRANKLIN LIFE
INSURANCE CO.

Springfield, Ill.
Marketing Personnel
Jack Watson, senior vp-mktg
T.M. Costa, vp, dir-sales promo

SOUTHLAND LIFE INSURANCE CO.
Dallas
Marketing Personnel
Joe W. Hopkins, senior exec vp-mktg officer
Virgil L. Hooper, second vp-dir special mkts

JAMES B. BEAM DISTILLING CO.
Chicago
Marketing Personnel
G. Lane Barnett, vp-dir mktg & adv
B.J. Bilocerkowycz, adv mgr
Advertising Agencies

Bozell & Jacobs, Chicago—Jim Beam, Jim Beam and Cola, Norton X. O'Meara, mgmt super; Charles Brom, acct super.

HCM, New York—Beam's Black Label premium bourbon, Beam's Choice premium bourbon, Imported Kamora coffee liqueur, Imported Kamora decaffeinated coffee liqueur, Peter Heering cherry liqueur, UTC orange liqueur, Aalborg Akvavit, Gammel Dansk Bitters, Spey Royal scotch, Chateaux cordials, Dark Eyes vodka—D. Brashears, mgmt super.

MASTER LOCK CO.
Milwaukee
Marketing Personnel
Peter U. Jung, vp-mktg
Harv Schneider, mgr-mktg communications
Advertising Agency

Cramer-Krasselt Co., Milwaukee—consumer trade, intl adv—W. Faude, acct super.

WILSON JONES CO.
Chicago
Marketing Personnel
A.E. Fontenot Jr., vp-mktg
R.F. Smock, vp-adv & mktg services
M.A. Rosenfeldt, adv mgr
Advertising Agency

Al Paul Lefton Co., New York—Jack Stack, vp; Robert Ellis, vp.

ACME VISIBLE RECORDS
Crozet, Va.
Marketing Personnel
Irving M. Sloan, adv mgr
Advertising Agency

Al Paul Lefton Co., New York—Jack Stack, vp; Larry Wilson, acct rep.

ACUSHNET CO.
New Bedford, Mass.
Marketing Personnel
Golf Division
Robert B. Forbush, vp-worldwide mktg-golf
John W. Hoagland, business mgr-golf balls
Theodore S. Ingalls, business mgr-intl mkt
Robert A. Shell, business mgr-apparel
Gerald M. Bellis, business mgr-accessories
Rubber Division
James G. DeMello, vp-mktg devel
Richard A. Bugg, dir-mktg & sales
Roger M. Horning, Charles C. Gregory, field sales mgrs
Ernest P. Amaral, mgr-natl accts
Jack W. Wagner, mgr-natl accts
Advertising Agency

Humphrey Browning MacDougall/-Creamer, Boston—John McNamara, acct super-golf div; Marty Curran, acct super-rubber div.

PINKERTON'S
New York
Marketing Personnel
C. Gehrmann Holland, senior vp, sales & mktg
William C. Bond, dir-mktg services
Advertising Agency

Douglas Turner, Newark, N.J.—Douglas J. Turner, acct super.

ANDREW JERGENS CO.
Cincinnati
Marketing Personnel
Robert L. Dom, exec vp-mktg
Rodger V. Reed, vp-mktg
Linda D. Cornell, vp-new prod devel
D. Tim Zimmerman, dir-prod mgmt
Richard R. Culpin, vp-sales
Advertising Agency

Ally & Gargano, New York—Jergens lotion, Jergens Aloe & Lanolin lotion, Jergens mild soap, Jergens Aloe & Lanolin soap, Jergens lotion-enriched liquid soap, Gentle Touch soap, Gee Your Hair Smells Terrific shampoo & conditioner, plus a general line of toiletries & cosmetics—Dennis Visich, senior vp-group mgmt super; Charles McMellon, vp-mgmt super; Peter Fedyck, acct super.

SWINGLINE INC.
New York
Marketing Personnel
David B. Miller, vp-sales & mktg
John Sheridan, dir-sales & mktg, business machines div
Fred Weiss, vp-mktg devel & admin
Jack Shulman, vp-sales, office prod div
Anne Burritt, mktg services mgr, office prod div
John Peters, export mgr
William Gibbons, natl sales mgr, consumer prod & retail stationery div
Anne Beirne, mktg services mgr, consumer prod & retail stationery div
Advertising Agency

Al Paul Lefton Co., New York—G. William Wolfson, president-mgmt super; Robert H.D. Ellis, vp.

MCM PRODUCTS
New York
Marketing Personnel
Daniel Roberts, natl sales mgr, W.R. Case & Sons Cutlery Co.
Alan Ritchie, president, Marson Corp.
Richard B. Turner, vp-sales, prof div, Marson Corp.
Robert M. Hewson, vp-sales, consumer & hardware div, Marson Corp.
Craig M. Meyers, vp-sales, fastener div, Marson Corp.
Paul Greenberg, vp-sales & mktg, Marvel Lighting Corp.
Advertising Agencies

Al Paul Lefton Co., New York—W.R. Case & Sons—Bob Ellis, Jack Stack, acct execs.

McDougall Associates, Peabody, Mass.—Marson Corp.—Dan McDougall, president; Ralph Carola, vp-acct mgmt.

AMERICAN CIGAR
New York
Marketing Personnel
G.F. Ward, vp-sales
K.P. Noone, mktg mgr
T.P. Tiernan, exec mgr-sales admin
J. Tessler, sales mgr-east
E.A. Vega, sales mgr-south
E.M. Totty, sales mgr-central
S.G. Dye, sales mgr-west
W.C. Bock, military sales mgr
Advertising Agency

SSC&B, New York—Roi-Tan, Antonio y Cleopatra, Bock y Ca, La Corona cigars, Casa Silva, Roi-Tan little cigars, A&C little cigars, Sail, Flying Dutchman, Clan & Blue Boar smoking tobaccos—Ken Robbins, chmn-ceo; Hal Rover, vice-chmn; Doug Bomeisler, senior vp-mgmt super; Sharon Treacy, Dan Bellucci, acct execs.

American Broadcasting Cos.

RANK 94

New York

($ figures = 000,000)

U.S./Worldwide	1984	1983	% chg
Sales	3,708	2,949	25.7
Net income	195	160	22.2
Advertising	69	49	40.1
Division sales			
Broadcast	3,304	2,614	26.4
Publishing	316	280	13.0
Video enterprises	54	13	308.0
Motion picture	28	33	-14.4

American Broadcasting Cos., New York, the 94th largest national advertiser, increased its advertising an estimated 40%, to $68.9 million, in 1984, a banner year for the company, attracting the attention of corporate takeover artists and eventually gave in to a friendly $3.5 billion buyout bid last spring from Capital Cities Communications.

When completed, the merger will represent the largest sale in U.S. broadcasting history. It was approved by ABC and Capital Cities shareholders in June, but the deal is not expected to be completed until early 1986.

The merger eventually could force the sale of more than $1 billion worth of broadcasting, cable tv and newspaper properties, because of Federal Communications Commission cross-ownership rules. The FCC forbids a single company from owning more than one media outlet in the same market unless the company is covered by a grandfather clause in those markets.

The selloff has already begun. Stations sold (pending merger approval) include: ABC's KTKS (fm), Denton, Tex., sold to Gannett Co. for $16 million; ABC's KSRR (fm), Houston, Tex., and Cap Cities' KLAC/KLLA (fm), Los Angeles sold to Malrite Communications; ABC's WRIF (fm), Detroit, and Cap Cities' WPAT am/fm, New York, sold to Silver Star Communications, Detroit, for $14 million; and Cap Cities' WFTS-TV, Tampa, and ABC's WXYZ-TV, Detroit, sold to Scripps-Howard Broadcasting for $246 million. Cap Cities also has sold its 55 cable tv systems, representing 375,000 basic subscribers in 16 states, to Washington Post Co. for about $375 million.

Capital Cities, whose principals have a reputation for smart, unsentimental business acumen, has said it might also deal away the ABC Radio Networks if the networks' ability to "serve the public as national sources of information and entertainment" is "seriously impaired" by the forced sale of the station outlets.

ABC was ranked No. 1 in terms of media revenues on ADVERTISING AGE's list of 100 leading media companies in 1984 (AA, June 27). Last year, media revenues totaled $3.65 billion, spurred by profits from the network's broadcast of the 1984 Summer Olympics, the most-watched tv event ever presented by a single network. Media revenues did not include book publishing, motion pictures, research services and insurance.

Total revenues were $3.7 billion, a 26% increase over 1983. The company also registered record earnings of $195 million, a 22% increase. Both revenues and income were down for the first quarter of 1985, while second-quarter figures showed minuscule gains.

Chairman Leonard H. Goldenson and president Frederick S. Pierce attributed the flat profit picture so far this year partly to increased corporate expenses related to the merger. Those expenses are believed to be about $25 million. Poorer upfront tv sales and ABC's third-place prime time ranking also are contributing to poorer sales.

The big winner from the increased ad budget last year was ABC Television Network, whose six-media expenditures of $29.6 million listed by Leading National Advertisers consumed 49% of the company's total measured media budget of $60.5 million. Virtually all of that amount was spent on magazine advertising. Measured media expenditures for the newly acquired Entertainment & Sports Programming Network of $2.5 million were the company's second-largest item.

The engine that drives ABC is the Broadcast Group, which has accounted for 87% of total revenues in each of the past three years. In 1984, the ABC Broadcast Group—which is made up of the ABC Television Network, the five owned tv stations and ABC Radio—amassed $3.3 billion in revenues, an increase of 26% over 1983. Pretax earnings increased 17%, to $427.8 million.

Still, there was an air of trouble at the company's Sixth Ave. headquarters after the final sweeps of the 1984-85 season. Even record-breaking earnings for the Olympics, which generated profits for the network of as much as $50 million, couldn't save ABC's contingent of prime-time ratings losers.

For the first time in 12 years, ABC was third among the Big Three in prime-time ratings for the season. CBS finished first with a 16.9 rating, spunky NBC was second with 16.2, and ABC limped in at 15.4.

The numbers prompted a shakeup in the executive offices, strengthening the hand of Broadcast Group president Anthony Thomopoulos. Sweeping changes were made for the fall prime-time schedule. ABC has added eight new series for September, and it has picked up NBC's "Diff'rent Strokes." The new offerings represent eight weekly hours of network prime time.

A ninth series to start in November, will be "Dynasty II: The Colbys," a spinoff from ABC's blockbuster of the past two years. "Dynasty" was the top-rated tv show last season, with a 25 rating and a 37 share.

ABC will continue its network primacy in sports, though there have been some cutbacks in sports programing. "Monday Night Football" returns for its 16th season, though ratings dipped last year.

Besides the Olympic coup last year, ABC also broadcast for the first time the January Super Bowl, garnering record advertising rates of $1 million a minute. ABC also won 11 Emmys last year, four of them for its newsmagazine show "20/20."

The five owned tv stations (in New York, Los Angeles, Chicago, Detroit and San Francisco), whose revenues are expected to flatten this year with the network's prime-time troubles and the absence of last year's Olympic fare, are under the gun to cut costs.

Dennis Swanson, the recently appointed president of the owned stations division, reportedly has imposed a strict mandate for efficiency on the five, which contributed about $475 million in revenues last year and about $150 million in pretax profits.

Publishing, the second-largest money maker among ABC business groups, generated $316.2 million in revenues, up 13% from the previous year. Record earnings before taxes reached $34.2 million, a 17% increase. The company had continuing success with its business, high-tech and inspirational publications, while the division got an extra boost from Olympic-related publications, such as the "Official Olympic Guide to Los Angeles."

Video Enterprises showed substantial revenue increases in 1984 but a pretax earnings loss of $44.6 million. The major development of the group was the addition of ESPN. ABC paid Texaco $227 million for 85% of the sports network in April (ABC had purchased 15% earlier in the year from Getty Oil). Then in October, ABC sold 20% of its new acquisition to Nabisco Brands for $60 million. ESPN subsequently clinched a three-year, $70 million deal with the United States Football League to broadcast its games.

One of the main virtues of the ESPN-Nabisco deal was the involvement of the widely respected Don Ohlmeyer, former NBC sports executive producer, in the cable network. Under the terms of the agreement, his company, Ohlmeyer Communications, will consult and advise ESPN in such areas as marketing and programing. Ohlmeyer Communications is a joint venture between Don Ohlmeyer, chairman; John Martin, president, and Nabisco. Both men have become ESPN directors.

ABC closed its unprofitable Tele-First service, the Chicago-based scrambled-signal movie and entertainment network, after fewer than six months of operation. Also, the ABC Motion Pictures group sold its Florida theme parks, ABC Scenic Attractions, for $6.6 million.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers........	16,155	10,304
Magazines.........	33,679	23,827
Network cable......	8	1
Spot tv............	8,698	5,520
Spot radio.........	745	574
Network radio......	18	409
Outdoor...........	1,229	537
Total measured..	60,532	41,171
Total unmeasured	8,368	7,997
Estimated total..	68,900	49,168

AMERICAN BROADCASTING COS.
1330 Avenue of the Americas
New York, N.Y. 10019
(212) 887-7777
ABC-Tv Network
Marketing Personnel
George H. Newi, president, ABC Television Network
Marvin Mord, vp-mktg & rsch services
H. Weller Keever, vp-in charge of sales
Robert Silberberg, vp-genl sales mgr
J. Larre Barrett, vp-sports sales
John Tiedmann, vp & natl sales mgr
Alfred A. Smith, vp-daytime sales
Marvin Goldsmith, vp & dir-eastern sales
Robert Cagliero, vp-early morning sales
Lawrence Fried, vp news sales
Edward Ryan, vp regional sales
George Cain, vp-eastern sales mgr
Edward J. Wollock, vp-sales central div
William Harmond, vp-sales western div
Michael Rubin, vp sales mgr central div
Charles Allen, vp-sales admin
Paul W. Barrett, vp-adv
Charles Gabelmann, vp-sales devel & affiliated projects
Madeline Nagel, vp-mktg
Richard Wozniak, vp-tv network sales, Detroit
William Gilogly, vp-news sales, central div
Roy Polevoy, vp-on-air promo, creative services, ABC Entertainment
Dennis Fitch, vp-adv, west coast, ABC Entertainment
ABC Owned TV Stations
Marketing Personnel
Walter Flynn, vp-genl mgr, sales & mktg
ABC-TV Spot Sales
Marketing Personnel
Michael Rosenberg, genl sales mgr
Georgia Breza, dir-rsch services & admin
ABC Radio Networks
Marketing Personnel
Louis J. Severine, vp-dir, sales
Arthur Sulzburgh, vp-natl sales mgr
Dan Perry, vp-western sales mgr
Joseph H. Hildebrand, vp-sales mgr, Detroit
Blaise Leonardi, vp-eastern sales mgr
Sam Patterson, dir-adv & promo
David Logan, sales mgr-mkt devel
ABC Video Enterprises
Marketing Personnel
Archie C. Purvis Jr., vp-genl mgr, ABC Video Enterprises
Marvinia Hunter, dir-cable, cassette mktg, video sales
Carol E. Francesca, dir-ABC Merchandising Inc.
ABC Publishing
Marketing Personnel
Tom Osenton, dir-mktg, promo
Advertising Agencies

N W Ayer, New York—ABC-TV news—Tom Maxey, exec vp-exec acct dir.

Grey Advertising, New York—ABC-TV movies for tv, miniseries—Donald Foley, genl mgr-entertainment & leisure; Bob Griffin, acct super; Chris Pula, acct exec.

McCaffrey & McCall, New York—ABC-TV sports, theatricals, all other entertainment dayparts—Norman Freedman, group acct mgr; Patrick Corrigan, acct super-sports; George Rojas, Barry Weintraub, acct supers-entertainment.

American Cyanamid Co.

RANK 27

Wayne, N.J.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	3,867	3,536	9.1
Net income	216	218	-0.9
U.S.			
Sales	2,687	2,389	12.5
Operating profits	200	172	16.2
Advertising	284	203	40.1
Division sales			
Medical	1,067	988	9.3
Agricultural	893	747	19.6
Chemicals	1,006	973	3.4
Shulton	528	508	4.0
Formica prods.	373	341	10.0

American Cyanamid, Wayne, N.J., is the 27th largest national advertiser with U.S. advertising of total estimated $284.4 million in 1984, up 40.1% from a restated $203.0 million in 1983.

In 1984, Cyanamid net sales rose 9.1% to $3.9 billion, while net earnings showed a 0.9% increase to $215.9 million.

Of the $3.9 billion in sales, $2.7 billion, or almost 70%, came from domestic sales, compared with 1983 domestic sales contributions of $2.4 billion out of a $3.5 billion total, or 69%. A strong U.S. market, compared with most international markets, and unfavorable dollar conversions for foreign sales contributed to the U.S. showing.

Four out of five Cyanamid business groups showed operating income increases in 1984, including Cyanamid's Shulton consumer group, with sales up 4% to $528.5 million and operating income up 2.4% to $25.5 million. Although Shulton represents only 13% of total sales and 7.3% of operating income, the majority of Cyanamid's measured advertising of $69.7 million is done in this group.

Cyanamid in 1984 spent an estimated $334.6 million worldwide in advertising, up from $289 million in 1983. The U.S. represents an estimated 85% of that total, which includes supplies, fees, commissions, direct mail costs, and some rent, utilities and travel, etc., according to the company.

The Shulton group—which including the No. 1 men's and women's fragrances in Old Spice and L'Air du Temps and other products, Pine-Sol cleaner disinfectant, and Breck hair products—accounted for about 62% of Cyanamid's measured advertising in 1984.

The Old Spice line funneled $15.9 million into measured media, virtually all in spot and network tv, a tally that was up 2[illegible]% over the previous year.

Men's cologne received the major advertising push, from $6 million in 1983 to $10.1 million in measured media in 1984. Spending on the Old Spice stick deodorant and solid antiperspirant actually dropped 15.4% to $5.5 million.

The Old Spice deodorant line and Lady's Choice ($5.3 million in measured spending, down 2%) antiperspirants lost market share to Bristol-Myer's Ban and Carter-Wallace's Arrid, however.

The Pine-Sol line of liquid cleaners, the leading seller in the fluid cleaning market, received $7 million in measured spending, down 4.1% from 1983.

Cyanamid is investing heavily in two new products in the Shulton group. The company is spending a reported $16 million in marketing, including $6 million in measured advertising, for a new tray bait roach insecticide, Combat. The product is up against Raid, Black Flag and d-Con.

Shulton introduced UltraSwim in the $2 billion-a-year haircare market in 1984. The product is designed to combat the effects of swimming pool chlorine on the hair. Shulton in 1984 spent almost $1.2 million in magazine, tv and radio ads for both the new products, at an $8 million annual rate. In addition, some 200 million cents-off coupons are being distributed through newspapers and magazines.

Shulton also is testing Equa Balance, a hand-and-body moisturizer akin to the company's Sans Soucis brand. The new product is part of a relatively no-growth $450 million mass-outlet facial segment of the hand-and-body moisturizer market. Richardson-Vicks' Oil of Olay leads the market with a 23% market share, but its sales have slipped as have No. 2-ranked Noxzema at 15.6%, according to analyst Diana Temple of Salomon Brothers. Revlon has European Collagen Complex and has relaunced its Moon Drops line in the market category.

Cyanamid began national distribution of its Breck styling mousse in 1985 following test in 1984. The company spent only $64,000 on Breck hair spray and styling mousse in 1984, dropping Breck shampoo from the advertising column after spending $296,000 on the shampoo in 1983.

Cyanamid's largest division in sales and second biggest advertiser is the medical group, accounting for about $22 million in measured spending, virtually all in its over-the-counter vitamin products.

The group had operating earnings of $155.8 million, up 8% from 1983, on $1.06 billion in sales, up 9.3%. Through its Lederle Laboratories in Pearl River, N.Y., and other subsidiaries, Cyanamid develops and markets a wide range of drugs and pharmaceuticals, including anticancer agents, antibiotics and vaccines.

Measured advertising on the division's Centrum vitamin products increased 19% in 1984 to $10.7 million, all of it in tv and magazines.

Despite a big promotional effort tied to the Olympics, sales of Lederle's Spartus multivitamins were down sharply in 1984. The tv spots, which cost almost $3 million, compared with 1983 expenditures of $1.9 million, urged Olympic viewers to "ask more of yourself, ask more of your vitamin."

Lederle expenditures on another vitamin product, Stresstabs, dropped 36% to $2.3 million in 1984.

A Lederle drug, a so-called transdermally active vasodilator, is known to increase the flow of blood to the skin, and is in clinical test to assess its safety and effectiveness in the treatment of bedsores, wound healing and even male pattern baldness, which has raised eyebrows among marketers. Upjohn Co. has a drug reputed to prevent hair loss in some men: The market for baldness treatment currently is worth $200 million annually.

The chemicals division was the one division registering a decline in operating profit—36% to $46.1 million in 1984, on sales of $1 billion, up 3.4%—mirroring a general slowdown in the chemical industry during 1984. Cyanamid says lower profits resulted from a 1% decline in its chemical product prices, compared with an over-all industry price increase averaging 3%.

Among new products developed by the chemical group in 1984 were enhanced oil recovery chemicals, advanced composites and urethane chemicals.

Cyanamid's agricultural group, which primarily markets fertilizers, insecticides, herbicides and animal nutrition and health products, registered 1984 sales of $892.7 million, up 20% from 1983, with operating earnings nearly tripling from $33.9 million to $88.5 million in 1984. Big sellers included Counter insecticides and Prowl herbicide; sales increases corresponded with significant advertising increases.

Advertising for Cyanamid's agricultural insecticides and herbicides increased from almost $750,000 in 1983 to some $1.6 million in 1984, sending the company's farm publication total to $4.17 million. Cyanamid also aired 30-second tv spots for Counter products, with computer-generated graphics, in nine Corn Belt states.

Little advertising is done by Cyanamid's Formica products group, which had 1984 sales of $373 million and record operating earnings of $34.7 million. Advertising for Formica home surfacing material increased from $869,000 in 1983 to $953,000 in 1984, virtually all of it in magazines. The group, however, was sold in October, 1984, for $200 million to a group headed by its own management and Shearson Lehman.

Over-all measured advertising for Cyanamid was $69.7 million, a 21.7% increase over 1983. Of the total, magazine expenditures were up 17%; cable, up 6%; spot tv, up 25%; network tv, up 20%, and spot radio, up 29%. Network radio, for which no expenditures were monitored in 1983, went to $406,000 in 1984, and outdoor advertising was up from $3,000 to $76,000. Farm publication advertising increased 21%.

In 1984, Cyanamid was one of the few advertisers that bought time on the controversial ABC movie "Something About Amelia," which dealt with incest.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers........	241	0
Magazines.........	8,673	7,442
Network cable.....	1,347	1,271
Spot tv.............	11,834	8,744
Network tv.........	42,325	35,258
Spot radio.........	1,408	1,089
Network radio.....	406	0
Outdoor...........	76	3
Farm pubs.........	4,173	3,449
Total measured..	69,684	57,255
Total unmeasured	214,776	145,754
Estimated total..	284,460	203,009

AMERICAN CYANAMID CO.
One Cyanamid Plaza
Wayne, N.J. 07470
(201) 831-2000
Agricultural Group
Princeton, N.J.
Marketing Personnel

D.J. Durand, adv mgr-crop protection chemicals

W.J. Reynolds, adv mgr-animal nutrition & health

Advertising Agencies

Bergelt Advertising, New York—poultry food prod, feed additives—E.C. Bergelt, acct super.

H.T. Fenton, Somerville, N.J.—Malathion, Cythion—Harry Fenton, acct mgr; Karna Godridge, acct super; Andrea Bestul, acct exec.

Miller-Meester, Minneapolis—pesticides, prod publicity—Paul Dunham, acct super.

Richardson, Myers & D'onofrio, Baltimore, Md.—animal industry prod—Roger Randall, acct super.

Tucker Wayne & Co., Atlanta—Counter, Avenge, Prowl, Thimet, Cygon, Cyprex, Pay-Off, Amdro, Maxforce—L.E. Ver Steegh, mgmt super; Mark Kirkpatrick, acct super.

Chemical Products Division
Marketing Personnel

M.R. O'Rourke, mgr-mktg communications

Advertising Agencies

Wildrick & Miller, New York—agricultural & industrial prod, catalyst dept—W. Doyle, acct exec.

Hazard, Barbetta & Miller, Fairfield, N.J.—CY/RO Industries, industrial chemical div—Jospeph Barbetta, president; Tom Brogan, acct super; Mara Bersak, media dir.

Industrial Products Division
Marketing Personnel

M.R. O'Rourke, mgr-mktg communications

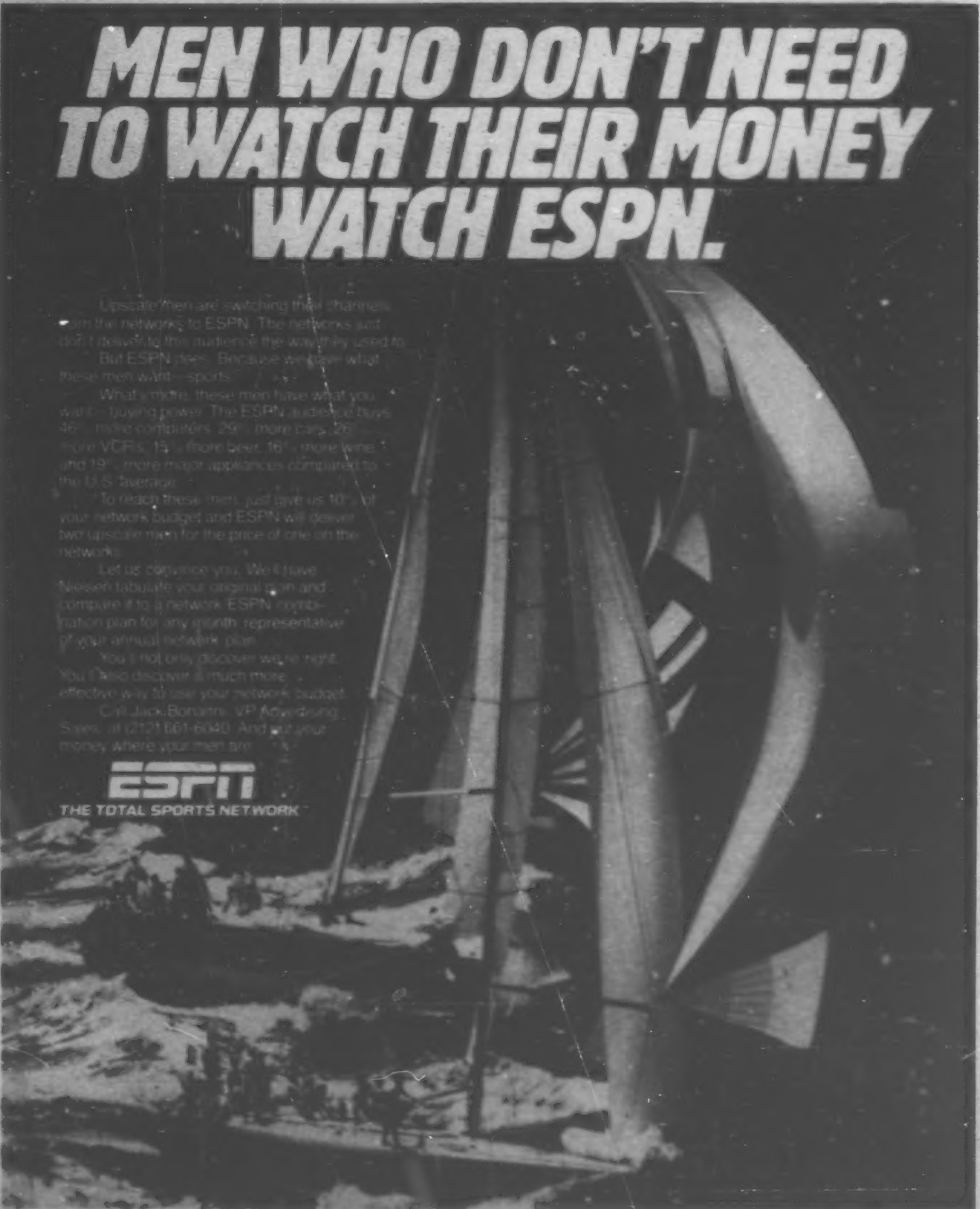
Advertising Agency

Hazard, Barbetta & Miller, Fairfield, N.J.—T. Brogan, acct exec.

Fibers Division
Marketing Personnel

W. DeMartine, vp-mktg

J.B Simmons, mgr-mktg communications



Upscale men are switching their channels from the networks to ESPN. The networks just don't deliver to this audience the way they used to.

But ESPN does. Because we give what these men want—sports.

What's more, these men have what you want—buying power. The ESPN audience buys 46% more computers, 29% more cars, 26% more VCRs, 15% more beer, 16% more wine and 19% more major appliances compared to the U.S. average.

To reach these men, just give us 10% of your network budget and ESPN will deliver two upscale men for the price of one on the networks.

Let us convince you. We'll have Nielsen tabulate your original plan and compare it to a network/ESPN combination plan for any month representative of your annual network plan.

You'll not only discover we're right. You'll also discover a much more effective way to use your network budget.

Call Jack Bonanni, VP Advertising Sales, at (212) 661-6040. And put your money where your men are.

Advertising Agency

Grey, Lyon & King, New York—Creslan Acrylic fibers—E. Wallin, vp-acct mgr.

LEDERLE LABORATORIES

Marketing Personnel

Pharmaceutical Dept.

L.E. Tilton, vp-genl mgr-proprietary prod
R.M. Lynch, dir-mktg, proprietary prod
H.H. Spinet, vp-genl mgr, pharmaceutical prod

DAVIS & GECK DEPT.

Danbury, Conn.

Marketing Personnel

E.F. Wilson, president
D.A. Sullivan, dir-professional & trade relations

Advertising Agency

Naimark & Barba, Cedar Knolls, N.J.—Dr. George M. Naimark, president; Joan Garcia, acct super; David Barba, creative dir; Debbie Quintana, media dir.

Advertising Agencies

Carrafiello, Diehl & Associates, Hudson, N.Y.—pharmaceuticals—T. Sweeney, acct exec.

Klemtner Advertising, New York—pharmaceuticals—Gable Scott, acct super.

Dugan/Farley Communications, Montvale, N.J.—E.J. Farley, exec vp.

Rolf Werner Rosenthal Inc., New York—H. Messinger, mgmt acct super; R. Recchi, acct super.

CONSUMER PRODUCTS

SHULTON U.S.A. DIVISION

Marketing Personnel

B.W. Morgan, vp-mktg, toiletries
K.M. Freeman, vp-mktg, household
S.A. Hopkins, strategic business mgr-fragrances
A. Lowery, strategic business mgr-deodorant/AP
L.B. Kostow, strategic business mgr-new prod
J.P. Grey, strategic business mgr-hair care
J.W. Janis, strategic business mgr-insecticides, new technology
G. Balkema, strategic business mgr-hard surface cleaners
J. O'Brien, dir-new category devel
L. Lent, dir-mktg service
J. Gibbs, dir-adv services

Advertising Agencies

Ted Bates & Co., New York—Brock, Ultra Swim, Old Spice aftershave & cologne—Walter Reichel, acct exec; Nancy Cline, media dir; Lynne King, acct super, Ultra Swim; Diana Singer, acct super, Old Spice aftershave & cologne.

Cadwell Davis Partners, New York—Insignia Men's grooming prod—Frankie Cadwell, president; Elliot Glazer, acct super; Marcia Herbert, acct exec; Phyllis Joseph, media planner.

Carrafiello Diehl & Associates, Irvington-on-Hudson, N.Y.—Cerebra, Burgess—A. Louis Carrafiello, president; Robert Brandt, acct super; Les Fiers, acct exec; Marguerite Kennedy, media dir.

Dancer Fitzgerald Sample, New York, N.Y.—Cie, Old Spice stick deodorant/antiperspirant, Lady's Choice—Lynn Salzberg, acct mgmt, Lady's Choice, Old Spice; Roy Elvove, acct super, Cie; Stanley Becker, creative dir.

JACQUELINE COCHRAN INC. DIVISION

New York, N.Y.

Marketing Personnel

L.F. Greenberg, president
B. Kaper, genl mgr-La Prairie
M.F. Fleishman, senior exec-vp, mktg
B. Kotlikoff, vp-mktg, Ricci prod
B. Clyde, vp-mktg, women's fragrances
T. Mahoney, vp-mktg, men's fragrances

Advertising Agencies

BBDO, New York—Nina Ricci/Pierre Cardin—Jack Thorne, exec vp; M. Parson, senior vp; B. Day, vp-acct super.

Peter Rogers Associates, New York—Niki de Saint Phalle—J. Talmont, mgmt dir; L. Chomnos, acct super.

SHULTON INC.

INTERNATIONAL DIVISION

Wayne, N.J.

Marketing Personnel

F.L. Larvey, vp-mktg
J. Akkerman, dir-mktg
B. Vigue, mgr-mktg services

INTERNATIONAL/LATIN AMERICA GROUP

Medical Products

Marketing Personnel

K.M. Sollom, dir-mktg-Lederle prod, Cyanamid International
J.L. Ackermann, dir-A&G prod
D. Pritchard, dir-medical prod, Latin America group

Chemical Products

Marketing Personnel

A.C. Bell, dir-chemicals, Cyanamid International
L.D. Poniatoski, dir-chemical prod, Latin America group

Advertising Agency

Robell International—Warren Robell, president.

Medical Products

Advertising Agencies

AD&PM Advertising, Newark, N.J.—S. Itala, partner; Ronald Heller, partner, acct exec.

D.M. Advertising, Jericho, N.Y.—D.F. McGillicuddy, president.

Klemtner Advertising, New York—L.A. Davies, acct super.

Lando & Handler, New York—G.M. Nemark, president; D. Barba, art dir.

American Express Co.

RANK 43

New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	12,895	9,770	32.0
Net income	610	515	18.4
U.S.			
Sales	10,445	7,322	42.7
Operating profits	[illegible]	[illegible]	[illegible]
Advertising	172	108	59.6
Division sales			
Travel services	[illegible]	[illegible]	[illegible]
Int'l banking	[illegible]	[illegible]	[illegible]
Investment services	[illegible]	[illegible]	[illegible]
IDS financial services	[illegible]	[illegible]	[illegible]
Insurance services	[illegible]	[illegible]	[illegible]

American Express, New York, the 43rd largest national advertiser, increased advertising expenditures 59.6% in 1984 over the previous year, to an estimated $172.1 million.

American Express earnings rose 18.4% to $609.6 million in 1984, as sales increased 32% to $12.9 billion primarily because of acquisitions. But continued heavy losses at the company's Fireman's Fund property and casualty insurance operations put a damper on profits through the second quarter of the current fiscal year, though the company's travel business and brokerage operations are showing record profits.

Earnings of $140.2 million for the second quarter of 1985 showed only a negligible increase from $138.7 million in the comparable period in 1984. That included a $21 million increase in Travel Related Services, the divisions that runs the American Express Card and traveler's checks operations, and a $37 million increase in investment services, primarily Shearson Lehman Brothers. It also included a $72 million loss in insurance operations.

Help is on the way for the beleaguered Fireman's Fund. Some of its problems related to a loss it took last May in its agreement to settle a class action suit by paying $35 million to investors in a bankrupt California mortgage company.

The company announced plans in June to sell a major part of Fireman's Fund to the public, in an apparent move to reduce the parent company's vulnerability to the up-and-down swings of the property-casualty business. Then in July, American Express hired John J. Byrne, former head of Geico Corp. and a reputed turnaround expert, as Fireman Fund's new ceo.

With the imminent divestiture of American Express' 50% interest in Warner Amex Cable Communications, the company is slimming down, transforming itself into a more streamlined and focused financial services operation.

Warner Amex chalked up total revenues of $472.9 million last year, up 8% from 1983, but the company continued to operate in the red, with a net loss of $23 million, down from its 1983 loss of $98.4 million.

American Express, which is an equal partner with Warner Communications in the cable venture, has signed a buyout agreement with two Denver-based companies, Time Inc.'s American Television & Communications subsidiary and Tele-Communications Inc. But Warner, under terms of the joint venture, elected to match the deal, which would cost it $450 million for Amex's share, and the assumption of all the system's $500 million in debt.

Warner Amex, the sixth largest U.S. cable system in total subscribers with 1.2 million subscribers, also owns 19% of Showtime/The Movie Channel and 60% of MTV Networks Inc., both of which are being sold to Viacom for $510 million.

MTV Networks contains two music-video programs for cable TV—MTV (Music Television) and VH-1 Video Hits One). It also owns Nickelodeon.

Donald E. Pease, an analyst with Smith Barney, Harris Upham, has estimated that American Express will sell 30% of Fireman's Fund, realizing a possible $560 million.

Advertising expenditures were up sharply last year, most of it for the Travel Related Services segment, which spent $414 million of the company's worldwide total of $490 million in advertising and promotion. The service claims to hold about 60% of the $35 billion traveler's check business.

In domestic measured spending, network and spot tv were especially strong, with total measured expenditures from the nine media tracked in this report increasing 68.4% to $121.4 million.

American Express tv network expenditures more than doubled, from $22.4 million in 1983 to $55.7 million in 1984. The big shift is credited to three areas—the American Express Credit Card Service, which spent $20.4 million in network tv, up 62.2%, out of a six-media total expenditure of $38.5 million, up 32.4% from 1983, according to Leading National Advertisers. American Express Traveler's Cheques spent $12.2 million in network tv, up from $3.9 m[illegible] in 1983, out of a six-media total expenditure of $17.1 million, up from $8.7 million in 1983, and IDS/American Express, the new acquisition in 1984, that spent $11.4 million in network tv under the Amex banner out of a six-media total of $13.2 million.

Ogilvy & Mather's campaign for the credit card, with actor Karl Malden as the prime spokesman, continued, adding a phase this summer to advertise the company's new three-hour courier service for customers who lose their traveler's checks.

Traveler's check sales in the U.S. in 1984 were up 23% from 1983 sales. First-quarter figures for 1984 showed American Express' credit card and traveler's check unit had a net income of $86 million, a 20% increase over first-quarter earnings in 1984.

Ogilvy & Mather's familiar "Do You Know Me?" campaign for the American Express Card, which has acquainted the American public with the likes of Muppets creator, Jim Henson, and Mel Blanc, the voice of Bugs Bunny, is now 11 years old and still going strong—the most recent being cartoonist Jim Davis featuring an animated appearance by his cat creation, Garfield.

An O&M campaign keyed since 1983 to women who "lead interesting lives" has been credited with making three out of ten new card members women. American Express says there are now more than 20 million American Express card holders, who made $47.4 billion worth of charges last year, a 24% increase over 1983.

Last summer, the company began issuing its new Platinum Card to the top 5% of its card holders. The advertising campaign for the exclusive card, overdirected by McCann-Erickson, has been limited to direct marketing. McCann-Erickson also continued the "Mind Over Money" campaign for Shearson Lehman/American Express.

Acquisitions last year included Investors Diversified Services, now IDS Financial Services, which registered $1.27 billion in revenues for 1984, and Lehman Brothers Kuhn Loeb, which American Express bought for $360 million. The latter became the Shearson Lehman, American Express unit.

The brokerage firm has not yet achieved its avowed goal of overtaking Merrill Lynch, Pierce, Fenner & Smith for leadership in the brokerage industry, says Prudential-Bache analyst Jose Hoffa.

Some foreign and/or private companies do not divulge sales or income figures. Where estimates could not be obtained, N/As appear in charts and the broad information preceding such profiles to indicate "not available."

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	[illegible]	[illegible]
Magazines	[illegible]	[illegible]
Network radio	[illegible]	[illegible]
Spot tv	[illegible]	[illegible]
Network tv	[illegible]	[illegible]
Spot radio	[illegible]	[illegible]
Network radio	[illegible]	[illegible]
Outdoor	[illegible]	[illegible]
Total measured	[illegible]	[illegible]
Total unmeasured	[illegible]	[illegible]
Estimated total	172,100	[illegible]

AMERICAN EXPRESS
American Express Plaza
New York, N.Y. 10004
(212) 323-2000

TRAVEL RELATED SERVICES

New York

Marketing Personnel

Jerry C. Welsh, exec vp-worldwide mktg & communications
Frank J. Parisi Jr., exec vp-mktg & sales, payment systems
Louis Payne Lerman, senior vp-mktg, travel U.S.

SHEARSON LEHMAN/AMERICAN EXPRESS

New York

Marketing Personnel

Catherine Stewart, senior vp-dir consumer mktg & adv
Robert Lee, dir-natl sales
Joseph Plasser, dir-mktg sales div

Advertising Agency

McCann-Erickson, New York—Fraser Cabell, acct super; Susan Evans, Michael Plyman, acct execs.

FIREMAN'S FUND INSURANCE COS.

San Francisco

Marketing Personnel

Michael Yadon, vp-mktg

Advertising Agency

McCann-Erickson—gold card, travel related services—Jim Shapiro, senior vp-mgmt rep, Shearson; Paul Lebow, senior vp-mgmt rep.

Ogilvy & Mather, New York—card-Scott Glenhall, mgmt super, Travelers Cheques—Steve Dardian, mgmt super, Corporate card—Patricia Greenhill, mgmt super, Travel related services—Keith Bainbridge, mgmt super.

American Home Products Corp.

RANK 16

New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	[illegible]	[illegible]	[illegible]
Net income	[illegible]	[illegible]	[illegible]
U.S.			
Sales	[illegible]	[illegible]	[illegible]
Operating profits	[illegible]	[illegible]	[illegible]
Advertising	[illegible]	[illegible]	[illegible]
Division sales			
Prescription drugs	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

American Home Products Corp., the 16th largest advertiser, increased its advertising to an estimated $412 million in 1984, a 21.9% rise over the previous year.

Net income for the New York-based company increased 6.7% in 1984 to $682 million as sales rose 5% to $4.49 billion. Sales increased in each U.S. business segment, while the strong dollar resulted in a 4% decline in international sales when stated in dollars.

It was the drug, food and household products marketer's 33rd continuous year of increased sales and earnings. Worldwide sales of prescription drugs and medical supplies were $2.45 billion, or 55.9% of total sales, compared with 53.4% of total sales in 1983. The segment's operating income before taxes accounted for 53.2% of total operating income in 1984 of $1.19 billion, compared with 66.1% of $1.08 billion in operating income before taxes the previous year. Domestic sales of prescription drugs and medical supplies increased 9% for the year, the company says, despite the trouble in medical supplies.

American Home spent an estimated $224.5 million in measured media in 1984, an increase of 12% over 1983. Its nonmeasured spending of an estimated $177.8 million—up 5.7% from 1983—went for samples, coupons, videotapes, films, coupons, point-of-purchase and co-op advertising.

Its Advil brand received the company's biggest ad outlay in 1984 for a single-line product following FDA approval in May for the anti-arthritis prescription drug ibuprofen (generic name for Advil), to be marketed in a lower dose as a nonprescription pain reliever. Young & Rubicam got the $24.5 million advertising account for Advil as market watchers predicted ibuprofen might take a third of the total pain-reliever market of aspirin and acetaminophen. Total market is worth about $1.6 billion.

Four months into the launch Advil had won about 7% of the painkiller market, outdoing Bristol-Myers' Nuprin, which had a 3% share, according to Robert Hodgson, market analyst for Shearson/American Express.

Some of the advertising battling also has ended in court. In mid-July, Upjohn filed suit alleging that the Advil advertising was misleading and deceptive. While American Home Products did make minor adjustments to its campaign, its right to make reference to Motrin was upheld. Then American Home sued Johnson & Johnson, the maker of Tylenol, charging the company used a strategy of false and misleading advertising that deceived the public about the effects of the analgesic painkiller.

American Home's Whitehall Laboratories division (Advil, Anacin, Dristan, Preparation H, Primatene, Denorex, Anbesol) spent $97 million in six-measured media monitored by Leading National Advertisers in advertising 13 Anacin products in 1984, down 13.5% from the previous year. Seven Dristan products split a $20.1

CONTEST

OFFICIAL RULES & FINE PRINT

Media spending by the 100

Rank		Company	Total estimated advertising expenditures		Total unmeasured advertising expenditures		Total measured advertising expenditures		Newspaper		Magazine	
1984	1983		1984	1983	1984	1983	1984	1983	1984	1983	1984	1983
1	1	Procter & Gamble Co.	$872,000	$788,791	$131,584	$123,204	$740,616	$665,587	$6,547	$9,831	$49,735	$40,185
2	4	General Motors Corp.	763,800	674,850	242,888	221,259	520,912	453,591	109,359	88,579	96,064	89,020
3	2	Sears, Roebuck & Co.	746,937	725,800	496,860	498,818	250,077	226,982	0	0	21,919	33,630
4	3	Beatrice Cos.	680,000	590,799	443,245	381,048	236,755	209,751	12,340	5,683	43,525	50,250
5	3	R.J. Reynolds Industries	678,176	593,715	145,000	123,625	533,176	470,090	101,990	112,343	193,816	155,063
6	6	Philip Morris Inc.	570,435	529,694	70,000	65,453	500,435	464,241	69,023	65,272	140,070	140,367
7	8	American Telephone & Telegraph	563,200	466,185	130,028	104,000	433,172	362,185	58,200	71,995	79,102	61,306
8	7	Ford Motor Co.	559,400	484,147	171,989	113,530	387,411	370,617	62,063	49,603	97,101	80,346
9	9	K mart Corp.	554,400	400,052	474,455	350,300	79,945	49,752	0	0	16,791	11,039
10	16	McDonald's Corp.	480,000	311,618	216,374	118,021	263,626	193,597	0	0	672	249
11	19	J.C. Penney Co.	460,000	376,000	390,733	305,670	69,267	70,330	0	0	16,943	19,745
12	10	General Foods Corp.	450,000	397,480	91,651	101,363	358,349	296,117	4,018	4,201	48,578	33,373
13	13	Warner-Lambert Co.	440,000	345,550	288,507	211,221	151,493	134,329	1,394	1,506	10,148	7,266
14	21	Ralston Purina Co.	428,600	438,029	270,621	278,227	157,979	159,802	1,770	3,170	15,691	14,579
15	12	PepsiCo Inc.	428,172	356,810	141,752	133,656	286,420	223,154	5,036	6,002	3,511	3,895
16	14	American Home Products	412,000	338,081	177,728	110,510	234,272	227,571	460	1,754	17,594	21,321
17	15	Unilever U.S.	395,700	325,775	169,730	140,000	225,970	185,775	3,141	4,689	18,688	13,020
18	58	International Business Machines	376,000	297,000	185,578	193,436	190,422	103,564	36,036	11,720	63,098	27,172
19	20	Anheuser-Busch Cos.	364,401	306,377	58,000	48,000	306,401	258,377	6,868	4,158	7,536	10,931
20	22	Coca-Cola Co.	343,300	284,755	100,371	89,637	242,929	195,118	6,747	6,037	10,794	8,582
21	11	Nabisco Brands	334,977	250,313	205,143	124,206	129,834	126,107	5,466	6,174	10,966	9,168
22	34	Pillsbury Co.	318,473	214,100	94,300	63,578	224,173	150,522	1,965	917	2,499	2,498
23	27	Chrysler Corp.	317,400	231,278	72,360	29,605	245,040	201,673	34,962	31,846	61,596	44,845
24	47	Eastman Kodak Co.	301,000	273,000	199,940	196,671	101,060	76,329	4,523	5,163	16,932	1,665
25	17	Johnson & Johnson	300,000	296,618	89,285	127,290	210,715	169,329	976	1,977	31,424	23,239
26	28	U.S. Government	287,807	234,604	109,340	134,790	178,467	99,815	11,497	11,548	40,043	25,499
27	45	American Cyanamid	284,410	203,009	214,726	145,754	69,684	57,255	241	0	8,673	7,442
28	23	General Mills	283,400	278,931	17,288	15,598	266,112	263,333	2,737	5,621	19,094	25,452
29	30	Dart & Kraft	269,200	211,940	42,879	35,047	226,321	176,894	6,920	7,067	36,233	33,219
30	24	Colgate-Palmolive Co.	258,731	269,793	161,949	164,195	96,782	105,598	1,194	1,664	4,194	8,478
31	26	Bristol-Myers Co.	258,440	241,505	75,400	70,447	183,040	171,058	999	1,380	32,624	28,472
32	33	Sara Lee Corp.	258,362	197,049	130,000	98,341	128,362	98,708	4,812	2,834	20,368	16,672
33	29	RCA Corp.	239,400	209,913	110,893	103,376	128,507	106,537	36,963	31,716	47,564	35,302
34	31	H.J. Heinz Co.	227,286	220,479	137,238	144,316	90,048	76,163	2,130	2,750	6,134	6,869
35	37	Kellogg Co.	208,800	178,768	32,267	59,264	176,533	119,504	1,978	3,258	1,859	6,181
36	53	Revlon Inc.	205,000	179,000	119,567	96,767	85,433	82,233	653	711	21,188	16,402
37	32	General Electric	202,400	196,583	129,749	126,748	72,651	69,835	14,984	12,220	8,510	13,129
38	40	Tandy Corp.	190,000	156,728	145,560	115,659	44,440	41,069	0	0	4,448	4,944
39	61	Nestle Enterprises	186,848	169,241	38,556	34,946	148,292	134,295	1,766	1,933	21,594	11,638
40	25	Warner Communications	181,749	167,856	100,000	95,000	81,749	72,856	7,912	15,718	18,616	25,609
41	39	CBS Inc.	179,800	141,700	80,663	68,881	99,137	72,819	21,519	15,829	47,423	30,737
42	18	Mobil Corp.	172,500	160,000	120,466	116,429	52,034	43,571	6,757	7,045	3,799	3,924
43	66	American Express Co.	172,100	107,841	50,696	35,731	121,404	72,110	11,481	12,337	20,604	15,652
44	49	ITT Corp.	168,000	134,237	124,489	79,338	43,511	54,899	4,042	3,162	11,797	11,664
45	38	Sterling Drug Co.	166,600	172,179	53,094	57,000	113,506	115,179	1,380	288	9,844	6,632
46	35	Gillette Co.	165,673	177,512	77,800	83,700	87,873	93,812	1,669	1,839	10,830	924
47	54	Nissan Motor Corp.	164,200	123,885	34,925	16,619	129,275	107,266	13,170	9,444	15,022	13,352
48	41	Richardson-Vicks	163,500	151,011	59,579	56,884	103,921	94,127	160	0	15,442	12,131
49	42	Quaker Oats Co.	161,300	149,138	53,436	63,618	107,864	85,520	1,452	1,341	9,140	11,433
50	44	Gulf & Western Industries	149,249	145,933	90,000	87,655	59,249	58,278	2,788	2,365	5,302	6,027
51	46	Chesebrough-Pond's	145,500	142,365	72,082	68,420	73,418	73,945	1,628	2,171	16,381	16,687
52	59	Schering-Plough Corp.	144,300	117,967	75,029	48,553	69,271	69,414	260	94	22,025	18,926
53	52	Campbell Soup Co.	142,000	127,203	18,484	13,271	123,516	113,932	5,401	4,641	14,487	12,413
54	55	Mars Inc.	139,282	121,300	18,300	18,116	120,982	103,184	609	1,864	6,728	2,812
55	93	Adolph Coors Co.	138,700	118,547	80,240	64,693	58,460	53,854	706	1,028	380	29
56	48	Loews Corp.	137,900	135,393	40,333	27,000	97,567	108,393	17,095	22,533	49,255	45,250
57	62	Toyota Motor Sales Corp.	137,900	123,897	17,980	17,657	119,920	106,240	14,913	12,571	15,403	12,416
58	50	Beecham Group p.l.c.	137,000	134,601	44,955	43,610	92,045	90,991	203	0	3,016	3,378
59	78	UAL Inc.	136,700	131,500	73,257	73,381	63,443	58,119	6,112	5,432	4,561	4,704
60	60	American Honda Motor Co.	134,700	114,700	37,013	18,000	97,687	96,700	9,001	8,059	15,053	19,850
61	56	Time Inc.	133,900	125,303	26,717	35,005	107,183	90,298	13,320	11,428	39,539	35,338
62	79	American Brands	133,000	122,000	73,659	56,419	59,341	65,581	4,995	5,915	31,583	35,473
63	36	Mattel Inc.	132,892	88,457	73,888	9,337	59,004	79,120	1,883	2,032	5,122	4,783
64	65	Xerox Corp.	127,583	110,666	69,000	51,403	58,583	59,263	8,595	13,824	13,351	15,650
65	64	IC Industries	127,299	112,116	70,100	61,754	57,199	50,362	1,062	1,176	3,571	3,689
66	71	CPC International	123,500	118,000	78,698	72,741	44,802	45,259	1,736	0	8,647	7,907
67	105	Levi Strauss & Co.	122,000	95,200	66,573	58,585	55,427	36,615	180	0	7,138	6,806
68	69	American Motors Corp.	120,500	101,691	25,829	18,355	94,671	83,337	7,572	8,315	21,880	15,615
69	87	Cosmair Inc.	119,500	69,955	40,812	26,233	78,688	43,722	803	665	23,149	15,265
70	57	Jos E. Seagram & Sons	115,827	119,681	29,000	31,680	86,827	88,001	9,426	8,477	37,918	43,643
71	43	Batus Inc.	113,400	146,108	28,207	37,291	85,193	108,817	25,317	27,803	36,216	44,290
72	76	AMR Corp.	110,800	88,640	41,967	52,942	68,833	35,698	13,496	12,790	4,077	405
73	88	Clorox Co.	109,600	91,410	27,943	29,447	81,657	61,963	367	397	13,553	6,270
74	72	Bayer AG	105,296	89,272	43,358	35,077	61,938	54,195	105	95	2,144	2,878
75	63	Volkswagen of America	103,000	112,882	18,418	22,562	84,582	90,320	11,051	9,947	33,515	37,902
76	95	Canon Inc.	100,000	80,000	25,818	26,087	74,182	53,913	3,891	0	23,978	16,310
77	128	Apple Computer	100,000	35,000	15,504	7,320	84,496	27,680	8,027	5,232	21,468	7,041
78	73	Union Carbide Corp.	93,000	89,253	42,401	36,199	50,599	53,054	1,649	1,803	376	715
79	67	E.I. du Pont de Nemours	91,000	77,000	33,827	26,711	57,173	50,289	752	1,532	27,430	26,147
80	90	Wendy's International	90,833	64,452	14,500	12,022	76,333	52,430	0	0	15	467
81	74	S.C. Johnson & Son	90,000	87,123	43,740	22,883	46,260	64,241	636	2,340	12,017	11,967
82	85	GTE Corp.	89,775	70,378	20,717	10,000	69,058	60,378	11,631	12,414	8,017	6,744
83	83	Pfizer Inc.	86,400	72,120	28,373	20,949	58,027	51,171	704	1,323	13,956	10,855
84	82	Stroh Brewery Co.	85,200	74,181	8,347	7,751	76,853	66,430	632	767	1,988	265
85	N/A	Hasbro Inc.	83,691	56,634	10,000	8,000	73,691	48,634	0	0	2,567	948
86	75	Greyhound Corp.	80,200	84,084	40,478	34,036	39,722	50,048	4,057	8,926	6,901	3,637
87	77	Kimberly-Clark Corp.	80,000	78,020	13,440	19,437	66,560	58,583	463	3,869	8,728	11,139
88	89	Hershey Foods Corp.	79,200	68,702	18,686	14,292	60,514	54,410	555	1,540	9,924	7,272
89	80	MCA Inc.	77,058	73,012	34,065	33,750	42,993	39,262	6,165	5,165	739	2,563
90	97	Grand Metropolitan p.l.c.	76,200	56,795	5,348	4,000	70,852	52,795	12,842	4,375	28,523	26,189
91	94	Noxell Corp.	74,200	67,900	9,970	9,405	64,230	58,495	4	11	19,195	9,879
92	81	Mazda Motor Corp.	71,797	75,165	19,965	28,549	51,832	46,616	3,018	1,971	16,857	14,551
93	91	Wm. Wrigley Jr. Co.	70,400	66,463	5,904	800	64,496	65,663	0	0	1,986	0
94	100	American Broadcasting Cos.	68,900	49,168	8,368	7,997	60,532	41,171	16,155	10,304	33,679	23,827
95	92	Delta Air Lines	66,900	64,999	3,802	3,151	63,098	61,849	26,332	31,810	340	1,077
96	102	Trans World Airlines	66,200	59,000	23,463	19,856	42,737	39,144	21,436	21,935	5,190	4,086
97	96	Goodyear Tire & Rubber Co.	64,700	58,711	17,288	17,000	47,412	41,711	0	0	6,613	4,999
98	106	Cotter & Co.	63,900	52,377	20,030	16,362	43,870	36,015	0	0	5,478	6,879
99	86	Eastern Air Lines	60,800	71,000	7,279	9,379	53,521	61,621	18,654	22,461	3,955	5,838
100	115	Van Munching & Co.	58,970	39,116	9,400	6,200	49,570	32,916	321	2,712	6,218	5,280
*	*	TOTALS	22,504,512	19,405,156	9,041,237	7,752,092	13,463,275	11,653,064	985,842	946,433	2,209,963	1,903,607

See where Ad Age got its data, Page 12.

leading national advertisers ($000)

Network cable		Spot tv		Network tv		Spot radio		Network radio		Outdoor		Farm publications	
1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983
$16,182	$15,172	$139,331	$129,245	$412,747	$366,663	$3,517	$2,796	$3,977	$1,504	$390	$191	0	0
3,157	4,549	38,520	25,670	231,443	201,550	30,836	29,079	6,746	9,411	3,176	6,183	1,612	1,741
3,120	2,566	33,532	29,316	172,446	145,007	10,078	5,497	8,630	10,629	332	337	0	0
5,005	90	57,445	65,955	111,591	97,605	2,986	5,259	3,365	498	430	4,422	0	0
825	364	47,611	39,642	97,600	69,907	4,379	3,851	0	0	86,955	88,920	0	0
1,642	2,182	46,509	50,462	161,716	128,266	26,445	22,483	0	0	54,951	58,211	0	0
3,457	2,799	17,236	41,641	253,117	146,604	5,681	27,949	16,344	9,512	36	380	0	0
6,892	3,087	39,500	37,857	164,253	172,308	10,787	12,993	1,525	7,186	2,174	1,806	3,115	3,431
452	32	13,372	10,051	42,088	23,539	6,512	4,867	490	0	238	294	0	0
88	240	91,434	105,025	142,462	88,951	3,827	2,077	0	761	9,129	4,295	0	0
232	142	16,619	18,151	34,030	31,858	1,145	198	0	0	299	237	0	0
13,169	11,290	96,869	73,020	190,223	170,065	2,966	2,333	1,704	1,711	626	69	216	55
2,922	1,997	40,569	39,439	86,976	74,639	1,340	1,661	8,143	7,823	0	0	0	0
2,131	1,098	35,208	35,745	91,837	94,439	9,617	8,830	232	0	211	287	1,282	1,654
1,323	590	154,287	121,847	90,403	73,955	25,025	14,025	4,746	916	2,090	1,924	0	0
3,352	4,387	29,274	32,063	179,024	161,435	1,590	1,908	2,336	3,888	0	0	643	814
1,004	909	59,122	55,789	142,982	110,303	1,034	336	0	683	0	46	0	0
599	1,263	5,669	5,006	78,617	52,409	6,386	5,474	0	507	17	13	0	0
15,478	15,761	60,070	59,370	166,416	116,515	38,288	40,676	6,231	6,914	5,514	4,053	0	0
2,756	2,605	64,976	70,673	140,104	95,889	13,932	8,048	0	0	3,620	3,284	0	0
1,731	597	30,069	22,127	75,800	82,018	737	983	4,939	4,095	123	364	0	0
757	551	99,106	60,781	106,983	74,337	12,014	9,649	0	810	849	988	0	0
2,327	1,621	27,446	18,262	93,637	84,194	18,777	16,651	4,141	2,858	1,587	679	566	717
383	965	9,328	8,649	65,707	56,454	1,729	988	904	726	1,355	1,719	0	0
1,432	1,721	6,482	9,213	168,639	131,266	0	319	1,729	1,594	33	0	0	0
144		21,591	16,258	87,497	30,063	7,572	5,679	8,633	9,293	1,290	1,674	0	0
1,347	1,271	11,034	8,744	42,325	35,258	1,408	1,099	406	0	76	3	4,173	3,449
11,339	10,259	109,253	112,982	115,608	100,279	5,351	6,188	2,429	2,364	380	197	0	0
1,391	1,661	53,742	62,525	123,289	87,415	2,326	1,814	2,381	3,161	40	32	0	0
1,198	2,019	21,304	29,596	68,570	90,015	263	3,926	0	0	10	0	0	0
6,242	6,506	16,996	10,066	122,552	120,974	1,809	1,904	1,520	1,544	7	0	290	212
1,262	1,191	27,919	17,077	69,557	56,150	2,345	1,983	1,921	2,552	179	251	0	0
1,029	613	12,816	10,431	24,167	21,273	4,733	3,512	712	3,304	523	386	0	0
1,040	721	28,051	17,636	52,687	47,864	0	261	0	0	6	63	0	0
3,594	2,462	40,641	34,130	128,080	73,006	370	460	0	0	11	8	0	0
517	153	18,687	15,602	41,128	47,101	1,427	851	1,716	1,414	117	0	0	0
5	76	7,825	4,502	40,343	39,158	495	507	75	0	415	243	0	0
378	351	5,749	4,238	30,008	27,716	3,135	3,497	420	0	0	0	301	323
973	623	47,130	32,793	73,959	47,259	1,334	428	1,148	768	94	158	296	266
1,069	1,048	21,219	27,445	31,524	2	1,317	2,249	0	486	91	300	0	0
982	1,784	13,534	12,761	13,852	10,965	1,609	135	189	133	933	958	0	0
1,616	1,299	26,377	20,825	11,321	7,170	1,188	2,433	0	0	44	53	932	823
683	269	24,033	13,651	55,727	22,417	6,133	4,686	2,513	3,831	231	67	0	0
681	8	11,750	25,895	13,175	9,875	1,132	3,236	167	314	767	747	0	0
117	333	16,583	24,375	83,565	82,660	817	820	1,189	0	11	71	0	0
254	221	11,800	11,394	60,800	75,286	1,095	2,456	1,425	2,692	9	0	0	0
1,070	1,269	40,919	37,724	50,666	33,603	7,584	10,881	0	0	846	995	0	0
930	197	22,796	20,928	61,131	59,139	1,863	813	1,600	919	0	0	0	0
1,338	696	19,270	21,468	70,993	47,980	5,480	2,213	174	0	17	380	0	0
1,676	432	33,119	20,897	24,773	23,346	288	3,685	1,810	1,266	73	262	0	0
116	1,041	6,664	10,647	47,029	42,995	0	325	1,546	0	53	81	0	0
41	53	5,346	5,497	33,121	37,879	5,016	2,094	1,423	2,829	1,544	1,609	496	433
1,789	1,203	27,333	21,510	68,624	63,058	1,450	3,607	4,371	7,429	62	71	0	0
851	949	44,201	44,333	65,655	52,102	2,353	351	479	774	106	0	0	0
751	833	25,957	20,024	11,218	9,746	18,927	21,578	0	0	522	616	0	0
154	278	2,417	1,277	0	1,795	0	156	0	0	28,647	37,104	0	0
5,391	5,248	58,377	47,506	18,544	22,853	5,263	3,343	54	20	1,793	2,284	183	0
38	127	8,887	7,151	78,471	78,807	4	27	331	411	0	0	1,096	1,091
674	494	18,931	23,539	25,839	8,175	6,802	14,636	0	847	524	293	0	0
1,157	332	8,034	10,807	54,944	41,529	6,736	11,036	2,647	2,636	116	2,451	0	0
7,193	3,508	33,075	31,338	12,129	3,013	1,805	625	0	926	90	123	0	0
111	0	840	2,501	9,832	8,608	87	30	0	105	11,894	12,950	0	0
1,011	928	14,404	18,520	36,036	52,075	135	418	0	131	414	234	0	0
482	567	1,393	2,997	34,250	22,732	477	2,613	0	875	108	4	0	0
0	16	24,500	20,971	17,466	17,698	9,993	6,163	504	599	93	51	0	0
0	12	16,264	15,545	16,944	21,669	1,211	126	0	0	0	1	0	0
1,520	1,466	3,992	5,367	42,244	21,621	321	889	22	197	9	369	0	0
573	975	6,074	6,222	56,622	50,972	1,286	121	0	0	746	1,089	0	0
56	0	12,274	4,707	42,381	23,085	25	0	0	0	0	0	0	0
836	77	8,917	7,233	23,418	18,740	246	43	0	0	14,772	15,767	0	0
91	31	11,480	14,235	0	0	0	37	0	0	12,089	22,420	0	0
20	35	16,632	12,326	22,273	1,707	11,994	8,301	0	0	341	135	0	0
2,813	2,094	12,755	10,154	51,499	41,384	426	529	243	1,137	1	0	0	0
914	907	5,586	5,505	47,855	39,003	361	64	874	2,660	103	13	3,996	3,070
139	382	16,236	16,922	22,024	22,178	843	2,985	0	0	774	4	0	0
1,948	1,949	8,212	7,440	33,217	26,295	526	3	2,050	1,507	360	410	0	0
1,051	448	2,798	1,489	42,753	11,185	8,382	2,230	0	0	17	56	0	0
419	531	2,985	4,420	39,088	40,716	3,581	2,847	291	300	1	0	2,210	1,723
152	96	5,465	2,554	17,105	13,435	1,391	1,633	818	771	8	3	4,053	4,119
57	7	39,354	31,224	34,688	18,683	489	900	0	0	1,730	1,149	0	0
199	119	5,206	6,070	21,782	40,717	3,684	588	2,799	2,186	0	0	0	0
168	198	28,003	32,443	16,677	6,082	4,377	2,450	0	0	183	39	0	0
190	35	2,306	2,860	38,730	34,009	0	84	130	464	93	7	1,917	1,952
1,524	649	12,924	14,304	43,101	37,774	13,478	10,532	0	826	3,206	1,313	0	0
951	1,181	42,953	32,474	27,221	14,031	0	0	0	0	0	0	0	0
372	521	5,046	6,640	12,102	19,750	9,093	8,918	2,058	1,366	93	290	0	0
501	560	9,572	12,308	47,148	30,683	143	24	0	0	6	0	0	0
488	444	13,843	15,519	33,642	28,679	1,193	557	676	396	0	2	0	0
538	526	1,883	13,035	30,518	16,068	1,546	1,300	1,248	254	385	351	0	0
1,098	1,229	6,113	6,941	17,007	9,083	70	58	0	0	5,240	4,930	0	0
917	1,812	3,045	2,935	40,318	42,791	0	200	751	869	0	0	0	0
1,382	665	4,187	2,271	26,382	27,160	0	0	0	0	6	0	0	0
2,884	2,514	14,920	17,874	43,715	42,343	30	24	962	2,908	0	0	0	0
8	1	8,698	5,520	0	0	745	574	18	409	1,229	537	0	0
296	56	10,823	8,227	4,396	3,603	19,321	15,309	0	0	1,591	1,768	0	0
11	0	12,095	8,336	0	99	2,885	3,811	810	723	310	153	0	0
609	879	10,457	11,653	26,957	22,633	732	262	999	655	713	223	332	407
686	607	14,640	13,946	11,843	4,202	986	724	10,201	9,648	35	9	0	0
3,395	0	15,879	12,237	3,860	9,398	5,708	9,218	0	0	2,071	2,469	0	0
0	248	8,828	5,532	3,004	2,895	30,651	14,604	548	1,645	0	0	0	0
184,443	152,787	2,694,687	2,483,970	6,462,016	5,207,183	484,863	450,545	143,546	152,680	270,285	291,532	27,709	25,879

Where Ad Age got its data

For the 30th consecutive year, Advertising Age presents its analysis of ad spending by the 100 leading national advertisers. Each company's profile includes a list of its key marketing executives, agency lineup and a rundown of account personnel.

Mixed throughout these 100 profiles and 16 charts are advertising expenditures, sales figures, earnings figures, market shares and other data.

The tracking sources for ad expenditures are:

- Newspaper: Media Records.
- Spot radio: Radio Advertising Bureau.
- Network cable: Broadcast Advertisers Reports.
- Farm publications: Agricultural Marketing Information Services (AGRICOM).

The following media as supplied to Leading National Advertisers:

- Magazine: Publishers Information Bureau.
- Spot tv, network tv and network radio: BAR.
- Outdoor: Institute of Outdoor Advertisers and Outdoor Advertising Assn. of America.

Information for the top 25 business/industrial advertisers was taken from *Business Marketing*, a Crain Communications Inc. publication, as supplied by Rome Reports and was not added into total measured ad expenditures, but instead was included in unmeasured advertising, for which Ad Age went directly to the companies.

Sales and earnings figures were taken from public documents. Where private companies would not divulge this information, estimates were obtained. Where no estimate was available, an "N/A" was used.

million advertising package, down 23% from the previous year. The division equaled the $13 million it spent on Preparation H (cleansing pads, multi-product advertising and suppositories and ointment) in 1983; spent $6.8 million on Primatene, off 6.8% from the previous year; backed Denorex dandruff shampoo with $7.3 million, up 32.7%, and placed $4.3 million behind Youth Garde, off 47.6% from 1983 expenditures. Youth Garde facial care product has achieved a 1.9% of the supermarket dollar share two years after launching.

The company's Ayerst Laboratories spent $10.4 million advertising Riopan antacid, up 53% from 1983. Ayerst split the ad assignment for an old drug Inderal, picking Klemtner Advertising to handle advertising of the product as a relief for nervous system disorder—a use pending approval of the FDA. The original agency, Sudler & Hennessey, continues to handle the account for the drug's other uses—primarily that of hypertension. Inderal competes in the $2.8 billion U.S. cardiovascular market.

In December, 1984, American Home's Wyeth Laboratories introduced Triphasil with the lowest total hormone content of any combination birth control pill on the market. It joins three other oral contraceptives marketed by Wyeth: Ovral, Lo/Ovral and Nordette. Eight months after introduction, Triphasil has won 2.7% of the market, according to Shearson analyst Robert Hodgson.

In the cardiovascular area, Sectral, a cardioselective beta blocker produced by Ives Laboratories, was launched in April, 1985.

The corporation's Sherwood Medical Division is making increased efforts to develop labor-saving devices for hospitals seeking to reduce costs in the face of the new federal reimbursement system for Medicare. The division also is expanding marketing efforts to tap the physician's office and home healthcare.

In 1984, Sherwood's Analytab Products Division rolled out UniScept, an automated susceptibility and identification testing system that improves laboratory accuracy and productivity. Two major product line extensions in 1984, Injectomatic and Monovector, aid diabetics in their daily insulin routines. Corometrics Medical Systems division introduced two advanced units, an intrapartum fetal monitor and a neonatal monitor.

Sales of the food and household products segment increased 4% in 1984, according to the company. Sales of food products, including American Home Foods and Brach candies, increased 9% while sales of household products declined slightly, which American Home attributes to intense U.S. price competition and the continuing decline of currency exchange values.

One of the big gainers in ad dollars was Chef Boy-Ar-Dee, which, in 1984, split $24.6 million among six products, a 49% increase over 1983 spending monitored by LNA. Chef Boy-Ar-Dee now has more than 50% of the $400 million retail canned pasta market, the company estimates.

Leading houseware advertising accounts, part of AHB's Boyle Midway subsidiary, are Black Flag products, $5.2 million, up 28% from 1983, and Woolite, $15.6 million, up 5.4%. Advertising also was down 7.6% for the Easy Off oven cleaner line to $7.1 million in 1934. Pam advertising of $9.2 million was up 1% from 1983 levels.

The company spent $5.5 million on E.J. Brach & Sons candies, a 14.6% increase over the previous year, according to LNA. Expanded distribution of Brach candy was supported by substantial investment in facilities and equipment. In 1984, the division completed the development of a nationwide, full-line warehouse system, and continued to grow in the single-item market, which accounts for 40% of the industry's total sales. The company added Perkys Jellies Bar and Roll-A-Mints chocolate candy rolls to its product line.

In 1984, American Home sold Ekco Products, Ekco Housewares division, Ekco Canada, Dupli-Color (a Canadian and U.S. auto paint company), E-Z Por Corp., maker of disposable aluminum baking dishes, and its 73% interest in the Prestige Group p.l.c, a London-based housewares marketer. Ekco Products was sold to a subsidiary of Tenneco. Prestige Group p.l.c was sold to Gallaher Ltd., a British subsidiary of American Brands. Ekco Housewares and E-Z Por Corp. were sold to Gibbons, Greene van Amerongen in a leveraged buyout. Dupli-Color went to a subsidiary of Sherwin Williams Co. Total price of the transactions was $338.2 million in cash and notes and $10 million in convertible preferred stock.

The corporation expanded its r&d facilities significantly during the year. Ayerst began operation of a new research facility in Princeton, N.J. A new infant nutritional r&d laboratory in Georgia, Vt., came on stream. A pharmaceutical r&d facility at Rouses Point, N.Y., is being expanded. A pharmaceutical plant to manufacture drugs also is opening in Puerto Rico this year. The company has 21 new drug applications and 26 investigational new drug applications filed with the Food & Drug Administration for new drugs or new uses for existing drugs.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	460	1,754
Magazines	17,594	21,321
Network cable	3,352	4,387
Spot tv	29,274	32,063
Network tv	179,024	161,435
Spot radio	1,590	1,908
Network radio	2,336	3,888
Farm pubs	643	814
Total measured	234,272	227,571
Total unmeasured	177,728	110,510
Estimated total	412,000	338,081

AMERICAN HOME PRODUCTS CORP.

685 Third Ave.
New York, N.Y. 10017
(212) 878-5000

AYERST LABORATORIES
New York
Marketing Personnel

Judson St. John, president
Arnold Somin, senior vp-mktg & operations
Howard Mosesson, vp-mktg & sales
Frank Montemurro, vp-mktg & sales, consumer prod

Advertising Agencies

Klemtner Advertising, New York—Riopan (ethical), Extra Strength (ethical), Dermoplast, Premarin (consumer), Mysoline, Inderal/tremor, Inderal/anxiety, Atromid-S, Posture (ethical)—R. Jay Conlan, vp-group super.

Saatchi & Saatchi Compton, New York—Posture (consumer), Riopan (consumer), Riopan Plus (consumer), Extra Strength Riopan (consumer), Beminal Stress Plus—David Basch, exec vp.

Sudler & Hennessey, New York—Aygestin, Factrel, Grisactin, Grisactin Ultra, Inderal tablets, Inderal LA, Inderide, Inderide LA, Premarin vaginal cream, Premarin tablets, Auralgan—Vincent Trovati, exec vp.

William Douglas McAdams, New York—Ultradol, Antabuse—William M. Wolf, exec vp.

BOYLE-MIDWAY
New York
Marketing Personnel

T.J. Host, president
Mark Rothman, senior vp-mktg
Rick Donnelly, vp-mktg
Ellen Schapps, vp-mktg
Ken Lagana, adv mgr

Advertising Agencies

BBDO, Chicago—Pam, Quick Dip—Bob Pingrey, mgmt super; Bonnie Pool, vp-acct super.

Cunningham & Walsh, New York—Antrol, Snarol, Easy-Off mildew stain remover, Easy-Off glass cleaner, Woolite (various prod), Dependo—Jim Polizzi, senior vp-mgmt rep; Carole Foxley, vp-mgmt super; Tom Dianis, vp-acct super.

William Esty Co., New York—Sani-Flush (various prod), Woolite Gentle Cycle—Andy Allen, exec vp-acct dir; Colleen Gowl, senior vp-mgmt super.

Hicks & Greist, New York—Noxon, Zud, 3-in-One Oil, Plastic Wood, Easy-On starch, Old English furniture polishes—Ed Ricchiutto, president; Ken Silvers, vp-mgmt super.

Kornhauser & Calene, New York—Griffin shoe polish, Black Flag, Easy-Off oven cleaner, Wizard—Bob Ballerini, exec vp; Stan Turk, exec vp; Chris McClean, vp-acct super.

E.J. BRACH & SONS
Chicago
Marketing Personnel

Ned E. Mitchell, president
Robert B. Hecklau, senior vp-sales & mktg
D. Grady Zehr, asst vp-chocolate prod mktg
Tom Pendergast, asst vp-nonchocolate prod mktg
S.R. Thompson, vp-natl sales
E. Bud Randolph, dir-trade relations
Robert J. Urban, asst vp-mktg

Advertising Agenies

BBDO, Chicago—Harry Ellsworth, vp-mgmt super; Robin Cohen, acct exec.

Cunningham & Walsh/BBDM, Chicago—Jim Davidson, vp.

WHITEHALL LABORATORIES
New York
Marketing Personnel

Stanley F. Barshay, president
Andrew Davis, Peter Mayer, G. Prince, L.R. Yates, vps-mktg
Richard Feldheim, adv dir

Advertising Agencies

William Esty Co., New York—Anacin, Compound W, Dristan tablets and capsules, Dristan nasal sprays, Heet Momentum, Oxipor, Preparation H, Quiet World, Viro-Med—George Biava, senior vp-mgmt super; Peter Baliant, Tom Perotta, Ed Bauccio, vp-mgmt supers; Deborah Dick-Rath, Ed Peck, vp-acct supers; Carol DiSanto, acct super.

Kornhauser & Calene, New York—Anacin 3, Children's Anacin 3, Arthritis Pain Formula, Aspirin-Free Arthritis Pain Formula, Safety Coated Arthritis Pain Formula, Dristan Ultra Colds Formula, Dry & Clear, Denorex Medicated shampoo, Freezone, Outgro, Primatene, Trendar, Youth Garde—Alan Yarnoff, exec vp; Jim Harrigan, Ron Herlihy, vp-mgmt supers; Claire Owen, Richard Geyer, vp-acct supers.

Young & Rubicam, New York—Advil, Maximum Strength Anacin, Anbesol, Bronitin, Neet, Semicid, Sleep-Eze—Tim Fitzgerald, vp-mgmt super; Jim Hogan, vp-acct super; Fred Langbecker, acct super.

WYETH LABORATORIES
Radnor, Pa.
Marketing Personnel

Bernard Canavan, M.D., president
Charles H. Brantley, vp-sales
John T. Spitznagel, vp-mktg
Martin M. Meaney, dir-mktg planning

Advertising Agencies

Kallir, Philips, Ross, New York—Ativan oral & injection, SMA, Nursoy, Collyrium—Ray Wilhelm, Janet Feldman, acct supers; Jean Campbell, acct exec.

F. Scott Kimmich & Co., S. Norwalk, Conn.—Wytensin—Kenneth Begasse, acct super; Karen Nelson, acct exec.

Roberts & Raymond, Associates, Philadelphia—trade program—Robert Sulpizio, acct super, acct exec.

William Douglas McAdams, New York—Amphojel, Basajel, Lo/Ovral, Nordette, Ovral, Phenergans, Triphasil, Tubex—John LaMare, acct super; Albert Carter, Paul Nalbandian, acct execs.

FORT DODGE LABORATORIES
Fort Dodge, Ia.
Marketing Personnel

E.T. Corcoran, president
D.L. Sleighter, dir-sales & mktg
W.E. Ryan, dir-adv

Advertising Agency

Miller-Meister, Minneapolis—Ted Priebe, exec vp.

IVES LABORATORIES
New York
Marketing Personnel

T. Cavanagh, president
J. Donovan, vp-mktg
Michael Delonnay, dir-mktg services

Advertising Agencies

Robert A. Becker Inc., New York—Cordarone, Isordil—Raymond Perry, vp; Ed Martin, acct super.

Klemtner Advertising, New York—Cyclospasmol, Synalgos-DC, Orudis—Gavin Scotti, vp; Jake Zahavi, acct super; Greg Gull, acct exec.

Lally, McFarland & Pantello, New York—Surmontil, Sectral, Cerubidine—Fred Kellogg, acct super.

AMERICAN HOME FOODS
New York
Marketing Personnel

D.P. Jaicks, president
K.H. Becker, vp-mktg services
J. Hittson, vp-prod mgmt
J.P. Palminteri, vp-prod mgmt
J. Neuberger, adv dir
A.J. Soricelli, vp-devel

Advertising Agencies

Cunningham & Walsh, New York—Chef Boy-Ar-Dee pizza mix & sauce, dinners, tin sauce; Crunch 'n Munch, Gulden's Mustard, Jiffy Pop Popcorn, Luck's beans & soups, Ranch Style Beans, new prod—James Polizzi, mgmt rep; Ann Look, Pat Kidd, acct supers.

Kornhauser & Calene, N.Y.—Dennison's Chili, new prod—S. Turk, exec vp; S. Kornhauser, mgmt super; N. Wittenberg, acct super.

Young & Rubicam, New York—Chef Boy-Ar-Dee canned pastas, new prod—Art Klein, exec vp, AHPC acct; Jane Brite, mgmt super; Bonnie Goren, acct super.

SHERWOOD MEDICAL CO.
St. Louis
Marketing Personnel

Howard E. Wickstra, president
David M. Olivier, senior vp-genl mgr, domestic
David A. Low, senior vp-genl mgr, intl
Duane J. Roth, vp-genl mgr, API

Advertising Agencies

Frank Block Associates, St. Louis—Sherwood—Robert Brace, acct exec.

Gardner 2, Los Angeles—Mike Silliland, acct exec.

Some foreign and/or private companies do not divulge sales or income figures. Where estimates could not be obtained, N/As appear in charts and the boxed information preceding each profile to indicate "not available."

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ABP MPA RED TAG ABC ANPA

American Honda Motor Co.
Gardena, Cal.
RANK 60

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	10,166	9,100	11.7
Net income	409	368	34.5
Advertising	135	115	17.4

American Honda Motor Co., Gardena, Cal., the 60th largest national advertiser, second largest Japanese auto manufacturer and third largest auto importer in the U.S., increased its ad spending in 1984 to an estimated $134.7 million, up 17.4% over 1983.

American Honda is also the country's motorcycle sales leader in units and value, accounting for 49.3% of the total two-wheel motorcycle market in units.

The Japanese importer owns a dominant 57.6% unit share of the combined motorcycle, all-terrain vehicle (ATV) and scooter U.S. markets, with total sales of more than 700,000 units. In the domestic auto market, it has a 4.9% unit share of market. It also is expanding its U.S. markets for lawn mowers, generators, outboard motors and power products.

American Honda is a wholly owned subsidiary of Honda Motor Co. Ltd., Tokyo, which posted record worldwide sales of $10.2 billion for the 1985 fiscal year ended Feb. 28, up 11.7% over the previous year. Earnings also hit a record $495 million for a 34.5% increase. Sales and earnings for both 1985 and 1984 fiscal years were converted from yen to dollars at the rate of Y259.45 = U.S. $1.

Worldwide sales of Honda autos rose 11.6% to a record 1,252,000 units. In the U.S., sales of imported Honda cars in 1984 rose to a record 374,819 units—137,405 of the sales-leading Civics, 123,045 Accords, 66,924 Preludes and 47,445 Civic CRXs—a 6.9% jump over the 350,670 imported units sold in 1983. Honda also sold 133,181 U.S.-made units at Marysville, O., giving it a total of 508,000 cars sold domestically grossing an estimated $3.8 billion.

Honda is second only to Toyota in total sales (from imports and domestic production) among auto importers in the U.S. But the two top Japanese marketers trail General Motors, Ford and Chrysler in over-all domestic car sales. (Nissan, however, still leads Honda in over-all vehicle sales when compact pickup trucks, a category in which Honda does not compete, are figured into the total.)

Including its U.S.-built Accords, Honda captured a 4.9% unit share of the total U.S. car market, up from 4.4% in 1983, second behind Toyota with 5.4%. Nissan had 4.5%, Volkswagen, 1.7%, and Mazda, 1.6%.

Honda's share of the import market for 1984 stood at 20.9%, up from 16.9% in 1983 and third behind Toyota at 23.0% and Nissan at 20.0%, followed by Mazda at 8.7% and Volkswagen at 6.7%.

Under the Voluntary Restraint Agreement limiting Japanese imports, Honda can send about 427,000 cars to the U.S. this year, a 15.1% increase over 1984. This does not include Honda Accords made in the U.S.

American Honda celebrated its 25th anniversary in the U.S. a much larger and more diverse company in 1984 than the one whose total sales in 1959 were just 200 motorcycles. The quarter century has been marked by a growing commitment to American production, beginning with the founding of Honda of America Mfg. and opening of the plant in Marysville, O., in 1979. With Honda leading the way, other major Japanese auto importers have opened their own U.S. production facilities.

The Marysville operation produces heavyweight motorcycles and Accord cars. Honda is adding a $240 million expansion at the Marysville plant to double capacity to 300,000 cars annually by 1988. The plant reached its full production level of 150,000 units a year last spring. Work is under way to add production of auto engines for the Civic subcompact cars that Honda will begin building at the Marysville plant in mid-1986.

Honda also is constructing a $30 million motorcycle engine plant in Shelby County, O., and a $42 million plant in Marysville that will make plastic parts. Honda opened a $10 million plant in North Carolina in August, 1984, to produce lawn mowers for the Honda Power Equipment Division.

Other U.S. expansion announced in 1984 included plans to market beginning in 1986 a new upscale, Japanese-built cars under the Acura division, a new division. The first of 600 dealerships in the Acura division sales network, which will operate independently of the existing Honda dealerships, will open in 1986.

The Acura division will market a four-door luxury car, code named HX, which is powered by a six-cylinder engine, and a new performance car series, Integra. Priced in the $10,000 to $20,000 range, the Acura models will be positioned against other Japanese luxury cars and European imports such as the BMW and Audi lines. Honda expects to sell 45,000 Acura cars in 1986 and 250,000 a year by 1989.

The Acura ad account, won by Ketchum Advertising, San Francisco, has spending pegged at $10 million annually, part of which is included in unmeasured media expenditure figures. Unmeasured media costs for 1984 amounted for $74.3 million, a substantial portion of the $182 million reported by American Honda for 1984.

While Honda does not break out unmeasured expenditures, company sources report they cover a wide spectrum and vary from product to product. Cars and motorcycles had the support of trade and consumer shows, press introductions, showroom collateral and point-of-sale materials and sporting events. Honda autos sponsored the Honda Classic, an annual PGA golf tournament held in Florida in March. Honda scooters invested heavily in videotaped news releases, cross-promotions with other advertisers and sponsorship of concerts and musical events aimed at a youth-oriented market.

Network and spot tv were the major measured media expenditures in the company's support of its 1985 car and motorcycle models. Tv spending reached $71 million, including $1.1 million for cable. Enthusiast magazines and national newsweeklies accounted for a good portion of the $15 million spent to promote cars and motorcycles in magazines.

Tv also was the main support for Honda's motorized scooters, as well as youth-oriented consumer magazines, which, combined with unmeasured media costs, gave scooters a budget in excess of $8 million. Scooters are expected to get a healthy boost this year as this Honda division continues the promotion of an eight-model line, highlighted by the Elite 150 Deluxe, the $1,450 model.

Honda's share of the motor scooter market, since Vespa went out of the business in 1983, now stands at 88.25%, followed by Yamaha with an 11.60% share in units.

Honda motorcycle advertising continued to carry the established "Follow the leader" theme in a measured $20.1 million advertising program dominated by an $17.8 million expenditure for network and spot tv and $2.3 million for magazines. A new entry level product, the Rebel, priced at $1,298, accounted for a major portion of the budget.

The promotional effort has helped maintain Honda's dominant position in the world and U.S. motorcycle markets, despite tough competition and falling demand. Worldwide sales of Honda motorcycles in fiscal 1985 dropped 7.2% from 1984 levels to 2,954,000 unit sales.

ASK Joan Collins
★ and Robert Mitchum ★ and Orson Welles ★ and Lauren Bacall ★ and Ricardo Montalban ★ and George Peppard ★ and Morgan Fairchild ★ and Mr. T ★ and Heather Lockleer ★ and Chevy Chase ★ and James Brolin ★ and Jimmy Stewart ★ and Barbara Eden ★ and Buddy Ebsen ★ and Mohammed Ali ★ and Sarah Purcell ★ and Eddie Albert ★ and Lloyd Bridges ★ and Ernest Borgnine and Shirley Jones ★ and Dick Van Patten ★ and Marcus Allen ★ and Phyllis Diller ★ and Rodney Dangerfield ★ and Burgess Meredith ★ and Juliet Prowse ★ and Jill St. John ★ and Julius Irving ★ and Lindsay Wagner ★ and Rita Moreno ★ and Mickey Rooney ★ and Jack Palance ★ and Jennifer O'Neill ★ and Diane Von Furstenberg ★ and Leonard Nimoy ★ and Scott Carpenter ★ and Elke Sommer ★ and Mel Tillis ★ and Doc Severinsen ★ and Audrey Landers ★ and Tony Randall ★ and Mclean Stevenson ★ and Joyce Brothers ★ and Arnold Schwarzenegger ★ and James Whitmore ★ and Mary Ann Mobley ★ and Howard Cosell ★ and Melvin Belli ★ and Ester Rolle ★ and Jayne Meadows ★ and Robert Conrad ★ and Don Knotts ★ and Toni Tennille ★ and Martin Mull ★ and Carl Reiner ★ and Ruth Buzzi ★ and David Steinberg ★ and Hope Lange ★ and Herschel Walker ★ and Tina Louise ★ and Ava Gabor ★ and The Smothers Brothers ★ and Rick Monday ★ and Helen Reddy ★ and Alan Carr
★ and Steve Allen ★ and Jo Anne Foxx ★ and Red Skelton ★ and Billy Carter ★ and Paul Williams ★ and Newton ★ and Peter Price ★ and E.G. Marshall ★ and Gary Burghoff ★ and Milton Berle ★ and Tony Martin ★ and Jerry Dennis ★ and Cesar Newman ★ and Ginger ★ and Trini Lopez ★ and ★ and Macdonald Carey ★ and Henny Youngman and Rosey Grier ★ and and Roddy McDowell ★ Richard Roundtree ★ and Avery Schreiber ★ and Nipsey Russell ★ and Bobby Riggs ★ and Rudy

The list goes on forever: Top celebrities placed by Ingels Inc. in a successful commercial project.

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★ and George Jessell ★ and Kaye Ballard ★ and Morey Amsterdam ★ and Kevin McCarthy ★ and Cyd Charisse ★ and Bert Parks ★ and Gordon MacRae ★ and Rex Reed ★ and Buddy Greco ★ and Meadowlark Lemon ★ and Scatman Crothers ★ and Jackie Vernon ★ and Ed Byrnes ★ and John Cappalletti ★ and Buster Crabbe ★ and Tracy Austin ★ and Sheila MacRae ★ and Dorothy Malone ★ and Paul Burke • and Julia Meade ★ and Ann Miller • and Xavier Cugat ★ and Andrew Sisters ★ and Dennis Day ★ and Gisele MacKenzie ★ and Mickey Dolen ★ and Chubby Checker ★ and Ted Bessell ★ and Fats Domino ★ and Roger Miller ★ and Cliff Gorman ★ and Barnstable Twins ★ and Lyle Waggoner ★ and Martin Landau ★ and Don Adams ★ and Marty Allen ★ and Shaun Cassidy ★ and NOT Steve Lawrence and Eydie Gorme ★ and Della Reese ★ and Ron Palillo ★ and Rossano Brazzi ★ and Kevin Dobson ★ and James Earl Jones ★ and Merle Haggard ★ and Red Autabauch ★ and Marty Ingels Mother ★

100 leading national advertisers with U.S. sales

Primary business	Rank	Company	U.S. ad spending		U.S. sales*		Adv. as % of U.S. sales		1984 worldwide figures	
			1984	1983	1984	1983	1984	1983	Sales	Earnings
AIRLINES	59	UAL Inc.	$136,700	$131,500	$6,967,599	$6,821,840	2.0	2.2	$6,967,599	$643,000
	72	AMR Corp.	110,800	88,640	5,353,721	4,676,307	2.1	1.9	5,353,721	233,880
	95	Delta Air Lines	66,900	64,999	4,684,000	4,263,731	1.4	1.5	4,684,000	259,500
	96	Trans World Airlines	66,200	59,000	2,049,361	1,955,483	3.2	3.0	3,656,600	29,900
	99	Eastern Airlines	60,800	71,000	4,363,898	3,942,134	1.4	1.8	4,363,898	(37,927)
AUTOMOTIVE	2	General Motors Corp.	763,800	674,850	69,355,600	59,668,700	1.1	1.1	83,889,900	4,516,500
	8	Ford Motor Co.	559,400	484,147	36,788,000	28,375,000	1.5	1.7	52,366,000	2,907,000
	23	Chrysler Corp.	317,400	231,278	17,239,700	11,665,500	1.8	2.0	19,572,700	2,380,000
	47	Nissan Motor Corp.	164,200	123,885	N/A	N/A	N/A	N/A	15,447,000	315,000
	57	Toyota Motor Sales Co.	137,900	123,897	N/A	N/A	N/A	N/A	24,827,618	1,238,692
	60	American Honda Motor Co.	134,700	114,700	N/A	N/A	N/A	N/A	10,200,000	495,000
	68	American Motors Corp.	120,500	101,691	4,215,191	3,271,720	2.9	3.1	4,215,191	15,469
	75	Volkswagen of America	103,000	112,882	N/A	1,575,612	N/A	7.2	16,363,900	81,692
	92	Mazda Motor Corp.	71,797	75,165	N/A	N/A	N/A	N/A	5,844,143	121,114
	97	Goodyear Tire & Rubber Co.	64,700	58,711	7,091,500	6,672,300	0.9	0.9	16,240,800	411,000
CHEMICALS & PETROLEUM	27	American Cyanamid	284,410	203,009	2,686,959	2,388,662	10.6	8.5	3,856,700	215,900
	42	Mobil Corp.	172,500	160,000	25,574,000	23,499,000	0.7	0.7	60,474,000	1,268,000
	78	Union Carbide Corp.	93,000	89,253	6,766,000	6,189,000	1.4	1.4	9,508,000	323,000
	79	E.I. du Pont de Nemours	91,000	77,000	24,486,000	24,562,000	0.4	0.3	35,915,000	1,431,000
ELECTRONICS & OFFICE EQUIPMENT	18	International Business Machines	376,000	297,000	27,371,000	23,127,000	1.4	1.3	45,937,000	6,582,000
	24	Eastman Kodak Co.	301,000	273,000	7,118,000	6,635,000	4.2	4.1	10,600,000	923,000
	37	General Electric	202,400	196,583	25,968,000	23,513,000	0.8	0.8	27,947,000	2,280,000
	38	Tandy Corp.	190,000	156,728	2,344,527	2,088,851	8.1	7.5	2,840,000	189,100
	64	Xerox Corp.	127,583	110,666	5,584,800	4,968,200	2.3	2.2	8,791,600	290,500
	76	Canon Inc.	100,000	80,000	1,260,000	893,291	7.9	9.0	3,308,319	139,558
	77	Apple Computer	100,000	35,000	1,187,839	764,416	8.4	4.6	1,515,876	64,055
ENTERTAINMENT & COMMUNICATIONS	33	RCA Corp.	239,400	209,913	9,164,000	8,081,600	2.6	2.6	10,111,600	341,000
	40	Warner Communications	181,749	167,856	1,726,784	1,357,691	10.5	12.4	2,023,513	(586,099)
	41	CBS Inc.	179,800	141,700	4,295,600	3,783,400	4.2	3.7	4,924,900	212,353
	50	Gulf & Western Industries	149,249	145,932	4,867,000	4,298,000	3.1	3.4	4,182,200	259,900
	61	Time Inc.	133,900	125,303	3,067,353	2,529,000	4.4	5.0	3,067,353	216,398
	89	MCA Inc.	77,058	73,012	1,381,170	1,254,583	5.6	5.8	1,651,242	94,937
	94	American Broadcasting Cos.	68,900	49,168	3,708,000	2,949,000	1.9	1.9	3,708,000	195,332
FOOD	4	Beatrice Cos.	680,000	590,799	9,832,000	7,270,000	6.9	8.1	12,595,000	479,000
	10	McDonald's Corp.	480,000	311,618	8,071,000	7,069,000	6.0	4.4	10,007,000	389,000
	12	General Foods Corp.	450,000	397,480	6,876,040	6,407,500	6.5	6.2	8,599,800	317,100
	14	Ralston Purina Co.	428,600	438,029	4,980,100	4,872,400	8.6	9.0	4,980,100	242,700
	21	Nabisco Brands	334,977	250,313	3,950,400	3,621,800	8.5	6.9	6,253,100	308,900
	22	Pillsbury Co.	318,473	214,100	4,344,500	3,812,200	7.3	5.6	4,700,000	192,000
	28	General Mills	283,400	278,931	5,094,500	5,068,600	5.6	5.5	5,600,800	233,400
	29	Dart & Kraft	269,200	211,940	7,129,000	6,905,300	3.8	3.1	9,759,000	456,000
	32	Sara Lee Corp.	258,362	197,049	6,631,000	5,631,927	3.9	3.5	8,120,000	206,300
	34	H.J. Heinz Co.	227,286	220,479	2,661,700	2,555,368	8.5	8.6	4,047,945	265,978
	35	Kellogg Co.	208,800	178,768	1,789,600	1,560,000	11.7	11.5	2,602,400	250,500
	39	Nestle Enterprises	186,848	169,241	5,100,000	2,508,000	3.7	6.8	N/A	N/A
	49	Quaker Oats Co.	161,300	149,138	2,586,000	2,402,000	6.2	6.2	3,344,100	138,700
	53	Campbell Soup Co.	142,000	127,203	3,345,000	3,120,532	4.3	4.1	3,989,000	198,000
	65	IC Industries	127,289	112,116	3,874,900	3,390,000	3.3	3.3	4,234,000	122,800
	66	CPC International	123,500	118,000	1,815,300	1,525,900	6.8	7.7	4,373,300	193,400
	80	Wendy's International	90,833	64,452	944,768	720,383	9.6	8.9	944,768	68,707
GUM & CANDY	54	Mars Inc.	139,282	121,300	N/A	N/A	N/A	N/A	N/A	N/A
	88	Hershey Foods Corp.	79,200	68,702	1,892,506	1,700,000	4.2	4.0	1,892,506	108,682
	93	Wm. Wrigley Jr. Co.	70,400	66,463	417,206	406,472	16.9	16.4	590,531	39,662
MISCELLANEOUS	26	U.S. Government	287,807	234,604	N/A	N/A	N/A	N/A	N/A	N/A
	43	American Express Co.	172,100	107,841	10,449,000	7,352,000	1.6	1.5	12,895,000	610,000
	86	Greyhound Corp.	80,200	84,084	2,757,000	2,628,000	2.9	3.2	2,757,000	125,000
	87	Kimberly-Clark Co.	80,000	78,020	2,655,400	2,325,800	3.0	3.4	3,616,200	225,000
PHARMACEUTICALS	13	Warner-Lambert Co.	440,000	345,550	1,910,000	1,822,000	23.0	19.0	3,166,657	223,887
	16	American Home Products	412,000	338,081	3,435,900	3,178,300	12.0	10.6	4,485,470	682,082
	25	Johnson & Johnson	300,000	296,618	3,735,900	3,610,500	8.0	8.2	6,124,500	514,500
	31	Bristol-Myers Co.	258,440	241,505	3,148,800	2,889,300	8.2	8.4	4,189,400	472,400
	45	Sterling Drug Co.	166,600	172,179	1,187,897	1,191,444	14.0	14.5	1,827,295	143,360
	48	Richardson-Vicks	163,500	151,011	N/A	733,800	N/A	20.6	1,220,000	72,200
	52	Schering-Plough Corp.	144,300	117,967	1,075,700	985,200	13.4	12.0	1,874,300	177,200
	74	Bayer AG	105,296	89,272	3,638,700	2,867,378	2.9	3.1	15,410,000	420,800
	83	Pfizer Inc.	86,400	72,120	2,150,200	1,949,800	4.0	3.7	3,854,500	507,900
RETAIL	3	Sears, Roebuck & Co.	746,937	725,800	35,885,000	32,637,000	2.1	2.2	38,885,000	1,454,800
	9	K mart Corp.	554,400	400,652	20,329,000	17,785,700	2.7	2.2	21,095,900	499,100
	11	J.C. Penney Co.	460,000	376,000	12,963,000	11,546,000	3.5	3.3	13,451,000	435,000
	67	Levi Strauss & Co.	122,000	95,200	1,912,417	2,019,161	6.4	4.7	2,513,536	41,387
	98	Cotter & Co.	63,900	52,377	1,653,199	1,459,744	3.9	3.6	1,653,199	58,173
SOAPS & CLEANERS	1	Procter & Gamble Co.	872,000	788,791	10,240,000	9,544,000	8.5	8.3	13,550,000	635,000
	17	Unilever U.S.	395,700	325,775	3,606,000	3,119,000	11.0	10.4	18,760,000	583,000
	30	Colgate-Palmolive Co.	258,731	269,793	2,342,678	2,208,713	11.0	12.2	4,910,000	71,600
	73	Clorox Co.	109,600	91,410	N/A	824,419	N/A	11.1	1,050,000	86,100
	81	S.C. Johnson & Son	90,000	87,123	N/A	880,000	N/A	9.9	2,000,000	8,000
SOFT DRINKS	15	PepsiCo Inc.	428,172	356,810	6,706,600	6,011,900	6.4	5.9	7,699,000	213,000
	20	Coca-Cola Co.	343,300	284,755	4,566,400	4,071,400	7.5	7.0	7,364,000	629,000
TELEPHONE	7	American Telephone & Telegraph	563,200	466,185	N/A	67,648,000	N/A	0.7	33,187,500	1,369,900
	44	ITT Corp.	168,000	134,237	6,685,000	5,969,000	2.5	2.2	12,700,988	448,046
	82	GTE Corp.	89,775	70,378	13,421,882	10,900,000	0.7	0.6	14,547,000	1,125,118
TOBACCO	5	R.J. Reynolds Industries	678,176	593,715	10,216,000	9,584,000	6.6	6.2	12,974,000	843,000
	6	Philip Morris Inc.	570,435	529,694	10,034,000	9,303,100	5.7	5.7	13,813,700	888,500
	56	Loews Corp.	137,900	135,393	5,603,354	5,260,075	2.5	2.6	5,603,354	328,640
	62	American Brands	133,000	122,000	3,064,900	3,048,100	4.3	4.0	6,995,187	414,120
	71	Batus Inc.	113,400	146,108	6,211,078	6,063,520	1.8	2.4	6,211,078	313,523
	90	Grand Metropolitan p.l.c.	76,200	56,795	2,040,000	1,340,000	3.7	4.2	7,000,000	661,400
TOILETRIES & COSMETICS	36	Revlon Inc.	205,000	179,000	1,728,914	1,660,930	11.9	10.8	2,399,205	112,098
	46	Gillette Co.	165,673	177,512	1,102,400	1,019,800	15.0	17.4	2,288,600	159,300
	51	Chesebrough-Pond's	145,500	142,365	1,479,521	1,337,824	9.8	10.6	1,857,330	119,529
	58	Beecham Group p.l.c.	137,000	134,601	1,023,500	752,100	13.4	17.9	2,838,500	379,600
	69	Cosmair Inc.	119,500	69,955	N/A	480,000	N/A	14.6	665,000	N/A
	91	Noxell Corp.	74,200	67,900	N/A	255,414	N/A	26.6	349,500	28,300
TOYS	63	Mattel Inc.	132,892	88,457	697,123	506,771	19.1	17.5	880,900	71,300
	85	Hasbro Inc.	83,691	56,634	560,787	194,370	14.9	29.1	718,900	52,388
WINE, BEER & LIQUOR	19	Anheuser-Busch Cos.	364,401	306,377	6,501,200	6,034,200	5.6	5.1	6,501,200	391,500
	55	Adolph Coors Co.	138,700	118,547	1,262,903	1,110,406	11.0	10.7	1,262,903	44,73[illegible]
	70	Jos E. Seagram & Sons	115,827	119,681	1,752,000	1,639,000	6.6	7.3	2,800,000	384,000
	84	Stroh Brewery Co.	85,200	74,181	1,600,000	1,561,000	5.3	4.8	1,600,000	N/A
	100	Van Munching & Co.	58,970	39,116	350,000	N/A	16.9	N/A	350,000	N/A
		TOTALS	22,504,512	19,405,156	508,670,720	431,090,905	4.4	4.5	915,760,847	56,713,901

* All sales and earnings figures are for the latest fiscal year

Source: See where Advertising Age got this data, Page 12.

NOTES: All dollar figures in thousands. Some private companies will not divulge sales figures. Estimates were obtained where possible.

In the U.S., for the first five months of calendar 1985, Honda's share of the motorcycle market was 49.3% in units, down slightly from a 51.4% share a year earlier. It was followed by Yamaha at 17.2%, Kawasaki at 15.5%, Suzuki at 9.3% and Harley-Davidson at 6.7%.

Honda also leads the competition in sales of all-terrain vehicles with a 66% share.

After 11 years using only two themes in its car advertising—"What the world is coming to" and "We make it simple"—Honda simplified things in 1984 by dropping slogans entirely. Rationale: Not using one gives Honda a few more costly seconds to sell the car in tv spots.

Product offerings in the 1985 model year included the Civic CRX, the *Motor Trend* 1984 Import Car of the Year, a high mileage (49 mpg EPA) two-seater priced at $6,479. Introduced in February, the CRX riding tandem with other Civic models, and the Accord and Prelude in advertising received measured spending of about $15 million. The Accord in solo ads spent $10.8 million primarily in network tv and magazines.

One CRX tv spot, called the "rocket ad," featured a tilted landscape with the car shown taking off for outer space like a rocket.

Other car advertising included pitches for the new Accord SE-i luxury four-door, five-speed sedan (priced at $10,295), a range of Civic models from CRX to the four-wheel-drive wagon ($8,649), and the Prelude Si five-speed, 1.8 coupe ($10,345).

Honda's print and tv advertising continued to take a lean, product-as-star approach, with the vehicles prominently displayed against plain backdrops.

Sales of Honda power products produced another record year with North America and the U.S. once again the key growth market.

Lawn and garden equipment, including tillers and tractors, and generators, snowmobiles and snow removal equipment, accounted for $13 million in measured media in 1984, led by heavy use of consumer magazines. That was up considerably from $5 million as Honda goes after a bigger share of market, estimated at only 1% before the opening of U.S. production in North Carolina.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	9,801	8,059
Magazines	15,053	19,850
Network cable	1,157	332
Spot tv	8,034	10,807
Network tv	54,944	41,529
Spot radio	6,736	11,036
Network radio	2,647	2,636
Outdoor	116	2,451
Total measured	97,687	96,700
Total unmeasured	37,013	18,000
Estimated total	134,700	114,700

AMERICAN HONDA MOTOR CO.
100 W. Alondra Blvd.
Gardena, Cal.90247
(213) 321-8280

Marketing Personnel

Tetsuo Chino, president-automobiles

Automobiles

K. Amemiya, exec vp
Cliff Schmillen, senior vp
T. Elliott, vp-operations
J. Billmyer, vp-sales
Eric Conn, auto adv mgr

Motorcycles

Riku Iwai, senior vp
Koichi Kondo, asst to senior vp
Jon Row, motorcycle-adv adv mgr
Neil Leventhal, scooter adv mgr

Power Equipment

Sam Okamura, vp
Terry Mulligan, asst vp
Steve Bailey, power equipment mktg mgr

Advertising Agencies

Needham Harper Worldwide, Los Angeles—autos—William Hagelstein, senior vp-mgmt rep; Thomas Cavanagh, vp-acct dir.

Ketchum Advertising, Los Angeles—Acura autos—Craig Mathiesen, president; Peter Goodwin, vp-acct super; Kevin Kitagawa, vp-acct super.

Dailey & Associates, Los Angeles—power equipment, motorcycles—Don Effler, senior vp-mgmt super; Dennis Kanagae, acct group super. Power Equipment—R. Van Remmen, mgmt super; K. Kitagawa, acct super.

Wieden & Kennedy, Los Angeles—scooters—Gary Langstaff, genl mgr; B. Billitzer, acct super.

American Motors Corp.

RANK 68

Southfield, Mich.

($ figures – 000,000)

Worldwide	1984	1983	% chg
Sales	4,215	3,272	28.8
Net income	15	-258	106.0
Advertising	121	102	18.5

American Motors Corp., Southfield, Mich., which in 1984 recorded its first full-year profit since 1979, was the 68th largest national advertiser with total ad spending of $120.5 million in 1984, an increase of 18.5% over 1983.

AMC turned around a loss of $258.3 million in 1983 into a gain of $15.4 million in 1984 on sales of $4.2 billion, up 28.8% from 1983. The euphoria has been shortlived, however. AMC lost $29 million in the first quarter of 1985 and reported a $70.4 million loss in the second quarter. By mid-year, AMC was predicting it would break even for the last two quarters and a loss for the year overall.

The No. 4 U.S. auto maker responded to the early 1985 losses by cutting operating costs by 25% and by receiving contract concessions from workers at the company's only U.S. passenger car plant in Kenosha, Wis.

AMC's major problem is that subcompact Renault Encore and Alliance products—its only U.S.-built passenger cars—compete in a segment that is not only showing lackluster sales but also is the most competitive, with increasing numbers of products coming from Japan and in the 1986 model year from Korea and Yugoslavia.

Believing that it must compete in more segments, AMC is sticking to plans to spend $2 billion between 1982 and 1987 to design and launch new vehicles.

AMC's fate also is bound up with the financially ailing French auto maker Regie Nationale des Usines Renault, which owns 46% of AMC. Renault is under pressure from French union leaders and others to curtail North American operations but so far has continued to express support for AMC.

Some analysts have speculated that AMC may be forced to reorganize, including selling its profitable Jeep operations. President-ceo Jose Dedeurwaerder has denied Jeep is for sale.

But Mr. Dedeurwaerder does say AMC is exploring the possibility of a joint project with an unidentified Japanese auto maker. AMC is the only American auto company without a Japanese partner.

Under the Renault brand name, AMC manufactures and sells the Alliance and Encore, which are Renault-designed, front-wheel-drive passenger cars. Under the AMC brand name, the company also sells the Eagle, a four-wheel-drive automobile made in Canada.

Under the Jeep brand name, AMC builds and sells utility and recreational vehicles consisting of the two and four-wheel-drive Jeep Cherokee and the four-wheel-drive Wagoneer, Jeep CJ, Jeep pickup truck and Grand Wagoneer. In addition, AMC imports and sells the Renault R-5 (in Canada only), the Renault Sportwagon and the sporty coupe, Renault Fuego.

During 1984. AMC reached a nine-year high in the retail sales of passenger cars and Jeep vehicles. Unit sales for all vehicles (Jeeps and passenger cars) worldwide were 442,383, up 15.4% from 1983. Jeep worldwide sales were 193,428, up 70.5%. Jeep sales represented 43.7% of total AMC worldwide unit sales. The remainder were passenger cars.

In the U.S. and Canada, which account for 92.3% of total AMC worldwide unit sales, auto sales of 237,309 were down 10.8%, while Jeep sales of 171,036 were up 83.6%. The sizable increase for the Jeep line is largely the result of the sports utility vehicles, Cherokee and Wagoneer, which were introduced in late 1983. Three off-road magazines named Cherokee "4x4 vehicle of the year." Another Jeep product, the Jeep Comanche pickup, has attracted considerable attention prior to its introduction Oct. 1 of this year. AMC says that prelaunch interest in the new pickup has meant stepped up production at the Toledo, O., plant producing the Comanche. Three hundred a day are currently being assembled.

In the U.S. auto market, AMC in 1984 held a 2% market share in units behind leader General Motors' 44.6% share, Ford 19.2%, Chrysler 10.4%, Toyota 5%, Honda 4.9% and Nissan 4.7%. Total market sales were 10,324,000 units, up from 9,147,000 in 1983, according to the Motor Vehicle Manufacturers Assn. (domestic sales) and Ward's Automotive Reports (imports).

Another bright spot in 1984 was Beijing Jeep, the joint venture company that resulted from the historic 1983 agreement between AMC and the People's Republic of China. Beijing Jeep earned the equivalent of $12.5 million in 1984 operations, turning out the BJ212, a five-passenger, 4wd Russian-designed vehicle with Jeep CJ lineage. AMC and its Chinese partner plan to assemble Jeep Cherokee kits in Beijing beginning this fall. Phaseout of the Russian model is expected in the future.

Improving economic factors helped industry sales of passenger cars in the U.S. reach the 10.3 million unit level in 1984, but the increases in sales occurred in the market segments where AMC had no offerings. The company's share of the car market declined from 2.5% in 1983 to 2.0% in 1984, largely because the small-car segment declined to 18.7% of the market, compared with 20.8% in 1983. Alliance and Encore sales actually were up 16% from 1983.

Lagging sales in the small-car segment spurred hot competition on the price front. AMC reduced the price of Encore and Alliance by 1.6%, or $107, in December, and in February, 1985, began offering 8.5% financing on those cars. In mid-June, the low-interest loans were dropped in favor of cash rebates tied to 10,000 miles of "free" gasoline, based on EPA estimated gas mileage.

American Motors in early 1985 threatened to move its production of Encore and Alliance to Europe beginning next year, claiming that the Kenosha plant had the highest labor costs in the industry. After protracted bargaining, the United Auto Workers agreed to cost concessions, and AMC pledged to continue production of the Alliance and Encore in Wisconsin as long as sales of those models justify making them. The company estimates that could be as long as four years.

But in the first six months of 1985, AMC sales of passenger cars in North America plummeted 40% from the previous year because of the squeeze in the small car segment. Jeeps continued to sell well, however, with sales up 7% from 1984.

AMC planned to expand its coverage of the light-truck market by introducing the Jeep Comanche, a compact pickup truck available in both two-wheel and four-wheel drive, for the 1986 model year. Promotion began with the May opening of the Beach Boys/Jeep Comanche "Jeep'n Safari" concert tour that would showcase the pickup in more than 40 cities.

The company in 1984 also announced plans to broaden its lineup with a 1988 model year intermediate sedan to be built in Canada.

Measured advertising in the nine media tracked in this report was $94.7 million, up 13.5% from 1983. Vehicles or ad categories responsible for the boost in measured totals included the launch of the Jeep Cherokee at $10.2 million in measured advertising, mostly tv and some magazine; launch of the Jeep CJ at $3.3 million in measured spending; Jeep Wagoneer spent $6 million, up from $3.2 million; the Renault Encore, $15.4 million, up 45%; and a nonspecific AMC passenger car category, $8.7 million, up from $1.5 million in 1983.

Spending dropped for the Renault Fuego to $6.2 million from $10 million in 1983; the AMC Eagle to $3.5 million from $5.8 million; and nonspecific Jeep vehicles, $3.5 million, down from $11.1 million.

Advertising support remained stable for Renault Alliance at $20.6 million.

Ad themes remained consistent from the 1984 to 1985 model year. The Alliance and Encore continued to "bridge the gap between European technology and affordability," via Grey Advertising, New York. The Alliance convertible, introduced for the 1985 model year, was folded into Alliance advertising as "upward affordability."

Jeep advertising, via Saatchi & Saatchi Compton, used exotic locations and the single copy line "Only in a Jeep," for print.

On tv, the Jeep CJ7 was compared with a buffalo, as the hero sweeps the heroine off her feet, first for bareback bison riding and then for Jeeping in the outback.

The Cherokee and Wagoneer, shown in advertisements with competitors, were identified as the only vehicle (the two are considered one because they come from the same XJ series) to be unanimously selected as the 4wd vehicle of the year by three car buff books.

A print campaign for Grand Wagoneer was aimed at upscale horsemen and boaters, using testimonials from Wagoneer owners including a America's Cup skipper, Dennis Conner, and horse breeder Bob Norris.

In February, 1985, AMC used a $6 million mid-model year 16-page magazine insert and tv campaign to show all of its line at one time and help pump up the Renault name. The "Buyers Guide" insert compared features of the AMC-marketed vehicles with their competition. "We challenge you to find better vehicles anywhere," a headline said.

In July, 1985, AMC chairman W. Paul Tippett took over as president of Springs Industries, a Fort Mills, S.C., textile maker, but retained the title of chairman of AMC's board.

Mr. Tippett was elected chairman in January, 1982, and had been chief executive officer until the fall of 1984, when he was replaced by Mr. Dedeurwaerder, AMC president.

Mr. Tippett relinquished fulltime duties at American Motors Corp. in April, 1985.

Also in July, 1985, Joseph E. Cappy was promoted from group vp-sales and marketing to exec vp in charge of AMC's sales, marketing, international manufacturing and supply.

Mr. Cappy had been credited with encouraging AMC to be promotion-conscious.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	7,572	8,315
Magazines	21,880	15,645
Network cable	573	975
Spot tv	6,074	6,222
Network tv	56,622	50,972
Spot radio	1,206	121
Outdoor	746	1,088
Total measured	94,674	83,337
Total unmeasured	25,829	18,355
Estimated total	120,500	101,691

AMERICAN MOTORS CORP.
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Marketing Personnel

Joseph E. Cappy, exec vp-operations
Peter G. Guptill, vp-North American sales
David L. Kerr, dir-adv. mktg planning
Robert F. Donovan, dir-mktg services, merch
James L. Cherfoli, mgr-mktg services
Thomas L. Draur, mgr-Jeep adv
Marvin H. Klein, mgr-Renault adv
Robert G. Wildberger, mgr-media budgets
James D. Rader, mgr-dealer adv

Advertising Agencies

Grey Advertising, New York—Renault—Lou Maloof, exec vp, Southfield, Mich.; Bruce McRitchie, senior vp-genl mgr; Bob Borgan, vp-mgmt super; John Miley, vp-mgmt super; Bill Brussow, vp-acct super; Tom Donaldson, vp-acct super.

Saatchi & Saatchi Compton, New York—Jeep—David J. Van Peursem, senior vp-mgmt dir; Kenneth Campbell, vp-mgmt super; Robert Reed, vp-mgmt super; Lynn H. Vernon, vp-mgmt super; Mark Liska, vp-acct super; Walter Dunne, vp-acct super.

American Telephone & Telegraph Co.

RANK 7

New York

($ figures – 000,000)

Worldwide	1984	1983	% chg
Sales	33,187	N/A	N/A
Net income	1,370	N/A	N/A
Advertising	563	466	20.8
Division sales			
Services	15,780	N/A	N/A
Products	10,189	N/A	N/A
Rental	7,217	N/A	N/A

The year 1984 was a rite of passage for American Telephone & Telegraph Co., New York, the nation's 7th largest advertiser with an estimated $563.2 million in 1984, up 20.8% from 1983.

Stripped on Jan. 1, 1984, of its flourishing core business—the seven regional telephone holding companies—a leaner AT&T is unleashing its enormous resources in the marketplace for information technology. And like a supertanker changing course, AT&T made big waves in its first full year after divestiture, but was slow in establishing a new direction.

Net income for the year was about 67% of projected earnings, a "disappointing" $1.37 billion, says chairman Charles L. Brown. Likewise, total operating revenues of $33.2 billion were 86% of projected total revenues.

Revenues in 1984 were lower than anticipated because of unexpectedly high fees paid to the local telephone companies for access to their lines; increased competition in long distance and equipment markets; adverse regulatory actions that cut into returns AT&T got in most intrastate toll jurisdictions, and delays in the availability of key products, says Richard A. Gray, division manager-financial information.

AT&T's performance was much improved for the six months ended June 30. 1985, although reported revenues and earnings were somewhat diluted by unusual expenses. Revenues for the first half were $16.86 billion, up 1% over 1984. Net income in the first half of 1985 was $815 million, up 16% over the same period in 1984.

The unusual expenses were $314 million in access charges incurred in the first six months of 1984 but billed and reported in the third quarter, and $120 million in higher depreciation expenses during the first half of 1985, Mr. Gray says.

While AT&T's financial condition is improving, it still has a formidable task in paring down from a quasi-public utility to free-market enterprise, says Ted Moreau, an analyst who tracks AT&T for Robert W. Baird Co., Milwaukee, Wis. Perhaps the biggest effect on AT&T's near-term profit margins will come from internal restructure, rather than from improved sales and marketing, he says.

AT&T is wasting no time in its restucturing. In one of the largest corporate reductions, the company announced in August, 1985, that it was giving notice to 24,000 workers in its information systems group.

About 62% of the layoffs include support staffs in headquarters operations across the country; 17% are involved in installation, maintenance and technical support; 13% of the workers are in product distribution, and 8% include hourly factory workers idled by the closing of two manufacturing plants. The information systems group has about 118,000 employes, about one-third of AT&T's total work force.

The work force reduction is expected to save several hundred million dollars annually, beginning in 1986. The move is in keeping with AT&T's announced intent of reducing costs. AT&T emphasizes, however, that it has no plans for employe reductions in sales, research and development, or computer systems.

The reallocation of AT&T's work force, however, is only a short-term adjustment to the new environment and a temporary solution to the company's profit squeeze, analysts say. In the longer-term, AT&T is laying the groundwork for growth in the electronic movement and management of information, both in the U.S. and abroad. The company's efforts in this enormous and emerging market will have a significant impact on current and future advertising and marketing strategies.

AT&T is evolving into an organizational structure built on two pillars. The first is service-oriented, providing domestic and international long distance service through AT&T Communications for residential and business users, and voice, data and video services for business and government. The second pillar is product-oriented, developing, manufacturing and marketing telecommunications products, including switching and transmission systems for the telephone trade and data processing equipment for large and medium-size business use.

AT&T Information Systems is evolving as the manufacturing and marketing group for large-business systems, computers and consumer and general business systems.

AT&T struggled in 1984 with creating some sense of unity between these disparate product and service offerings. Of its total measured advertising spending of $433.2 million, up 19.6% from 1983, the second largest item budgeted was geared to this dilemma—that of general-promotion. AT&T spent $70 million on general promotion, divided 74% network tv, 20% magazine, and about 6% spot tv. The company spent $34.1 million on that item in 1983.

The search for a single identity culminated in April, 1985, with selection of a new corporate theme: "AT&T, the right choice." David Shaver, corporate advertising director, says, "The new theme is designed to define the total range of products and services AT&T offers. We're also trying to look more like a single company."

How soon AT&T will be permitted to act like a single company, however, is a critical unknown in its future. Until April, 1985, AT&T had been forced to maintain a structural seperation between AT&T Information Systems and the rest of the company. This separation effectively prevented AT&T from combining its marketing efforts for telecommunications services and information processing.

In April, the FCC permitted AT&T Information Systems to take over some equipment manufacturing operations, resulting in huge layoffs. In September, FCC further loosened AT&T's regulatory shackles, permitting combination of some sales functions for long-distance service and equipment. A catalyst was International Business Machine's June 25, 1985, sale of Satellite Business Systems to MCI Communications in exchange for 15% of MCI's stock and warrants to buy another 2% at a fixed rate.

"The IBM-MCI deal [gave] the FCC an excuse to relax regulations," says Jack Grubman, analyst with Paine Webber Mitchell Hutchins, New York. Analysts say the FCC is eliminating a double standard resulting in restraints on AT&T while IBM-MCI (both in the same business) would be allowed to run free. Added fuel is IBM's December, 1984, buyout of Rolm Corp., a Santa Clara, Cal.-based telecommunications equipment producer.

Combining its information processing and telecommunications technology is critical to AT&T's marketing priorities in 1985 and beyond, as it begins challenging IBM in the convergent technologies of data processing, where IBM is the main contender, and telecommunications, where AT&T is preeminent, Mr. Grubman says.

Consequently, AT&T is bolstering its product development and advertising in the market for telephone and information processing systems targeted at business and consumers. Measured spending for all business and consumer products exceeded $106 million in 1984, 25% of AT&T's total measured spending.

A few single categories include: Information systems, $34.7 million, divided 50% network tv, 30% magazine, 14% network radio and 6% spot tv; personal computers, $20.1 million, divided 70% network tv, 30% magazine; computer systems, $19.7 million, divided 60% network tv, 40% magazine; telephones, $15.3 million, mostly for network tv, according to the six major media tracked by Leading National Advertisers.

Several key product introductions figure heavily in AT&T's marketing and advertising. In computers, early in 1984, AT&T introduced the 3B family of computers, ranging from a desktop supermicro to a superminicomputer. All use the UNIX System V operating system developed by AT&T Bell Laboratories, the only operating system that can be used across a broad span of computers from mainframes to micros.

AT&T also purchased 25% of Ing. C. Olivetti & Co. in December, 1983. The AT&T Personal Computer 6300, a system that is IBM compatible, resulted from their joint efforts.

AT&T introduced a number of telephone networking and digital switching systems, including Merlin for small businesses; System 75 for medium-size businesses, and a more powerful System 85, for large users. AT&T also introduced its Information Systems Architecture, a communications-based concept to ensure compatibility between AT&T products, and in combination with other vendors' products.

Analysts say AT&T is taking giant steps with its growing line of computer products and its reputation for being able to tie systems together with advanced communications systems. "AT&T is starting to develop a computer strategy and to position itself in the market," says Paine Webber's Mr. Grubman. "They're starting to prove that they're a serious manufacturer."

One area where AT&T does not have to prove its credentials is in the $50 billion domestic long distance telephone service to businesses and consumers and in the $5 billion market for international calling. Network ads using actor Cliff Robertson, ADVERTISING AGE's "star presenter," received the lion's share, $170 million, or 40%, of AT&T's 1984 measured spending for that year.

Not surprisingly, the heaviest emphasis was on service to businesses and consumers, who are being asked to select primary long distance carriers during the transition period to "equal access" connections with local telephone companies. Equal access should be complete by September, 1986.

Consumer long distance ads received a measured $113 million in 1984, 90% in network tv, 10% in network radio, which accounted for 26% of total measured spending by AT&T for the year. Business long distance service was targeted with $27 million in measured spending, mostly for network tv; and international long distance ads received $11 million in measured spending, divided 52% spot tv and 48% magazine.

The advantage AT&T had in gaining equal access connections by default was struck down in June, 1985, in an FCC ruling that local telephone companies must use a nonbiased method when assigning long-distance carriers to customers who do not choose one. AT&T expects 30 million of 46 million total customers to be converted to equal access by the end of this year. In many localities, as many as 50% of customers asked to choose a carrier have not done so.

Under the old system, these customers were automatically assigned to AT&T. With the new system, local telephone companies must send at least two ballots to customers where equal access is being introduced, and divide long distance business in the same proportion for customers who do not respond as for those who do.

The allocation system designed by Northwestern Bell Telephone Co., a unit of U.S. West, is prompting twice as many customers to choose carriers other than AT&T, says Gary Tobin, a spokesman for MCI. In Minneapolis, for example, MCI now has 20% of customers selecting or being assigned a long-distance carrier, as opposed to an average 10% share in most markets, he says.

How primary long distance carriers are assigned will have a significant impact on AT&T's eventual market share, analysts say. AT&T says it has 63% of the domestic toll revenue on intra- and interstate long distance calls, and 83% of interstate toll revenues. Some analysts and competitors say the share could be higher.

Mr. Grubman, of Paine Webber, says AT&T's share of intra and interstate long distance toll revenue is closer to 80% to 85%, with MCI claiming about 7% to 8%, GTE's Sprint 3% to 4%, and all others 3% to 10%.

In the international market, AT&T is much stronger. But competition is moving fast. AT&T now has about 97% of the market and a virtual monopoly on calls to Western Europe, with MCI and Sprint emerging as the principal contenders, each with less than 1% market share, analysts say. Some smaller carriers also are expected to make inroads, including TRT Communications, a Washington-based company offering international service to customers of Starnet, the long distance arm of Ford Motor Co., which opened service in summer, 1985; and Satellite Business Systems, the long distance arm of IBM, which plans to begin offering service to Europe and the Far East next year.

Access charges that long distance carriers pay local phone companies for connections to their networks continue to place AT&T at a competitive disadvantage, draining its profit margins. Access billings represent AT&T's biggest single cost, about 60% of an estimated $35 billion in gross revenues for the AT&T Communications unit, analysts say.

MCI, Sprint and other long distance carriers receive discounts on local connections, which enable them to underprice AT&T. By September, 1986, when the transition to equal access is virtually complete, all carriers will be on equal footing in terms of cost.

But AT&T has not allowed its competitors' cost advantage to deter it from aggressive pricing. The company reduced prices on long distance calling 5% in June, 1984, and 6% in June, 1985, with programs such as Reach Out America, AT&T Opportunity Calling, in addition to other pricing features.

AT&T Communications also introduced a variety of new and enhanced voice, video and data services in 1984, such as Accunet, a service that sends digital packets of information; Alliance, a teleconferencing service; international 800 Service and Dial It 900 Service. As a result of divestiture, AT&T encountered temporary problems in 1984 with local telephone companies in delivery of WATS and 800 Service.

AT&T says its eventual goal is to allow customers of all sizes to literally custom design their long distance telephone service. With AT&T's technology and its new-found freedom to market all forms of information management, some analysts believe that goal, and much more, is in store for the near future.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	58,300	71,995
Magazines	79,182	61,396
Network cable	3,487	2,789
Spot tv	17,236	41,641
Network tv	253,117	146,604
Spot radio	5,681	27,949
Network radio	16,344	9,512
Outdoor	36	388
Total measured	433,172	362,185
Total unmeasured	130,028	104,000
Estimated total	563,200	466,185

AMERICAN TELEPHONE & TELEGRAPH CO.
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Corporate Personnel

J.L. Brunson, corp vp
D.J. Shaver, corp adv mgr

Advertising Agencies

N W Ayer, New York—Tom Maney, exec vp; Hap Stoner, senior vp; Jack Quigley, vp-acct super; Ted Kolota, Austin Patrick, senior acct execs; Nancy Ryan, acct exec.

UniWorld Group Inc., New York—corp adv directed to minorities—Alvin M. Winters, district mgr corp adv; Linda Dukette, vp-acct super.

AT&T COMMUNICATIONS

Marketing Personnel

Kim Armstrong, adv dir
Bruce Carlson, adv super, planning & rsch
Jane Kleban, adv super, domestic business
Mike Noavill, adv super, domestic residence
Jackie Woodall, adv super, intl & public

Advertising Agencies

N W Ayer, New York—residence, AT&T long distance, certificates, residential calling—Fred McClafferty, senior vp; Anne MacDonald, acct super.

McCann-Erickson, New York—business services—Tom Driscoll, senior vp.

Young & Rubicam, New York—international business & residence, public sector card caller & calling card—Mort Lowenstein, senior vp.

AT&T TECHNOLOGIES

Marketing Personnel

R.J. Martin, adv mgr

Advertising Agency

Foote, Cone & Belding, New York—network systems, electronic components, federal assistance—Jack Young, president; Gary Bahl, vp; Kathryn O'Rourke, acct exec.

AT&T INFORMATION SYSTEMS

Marketing Personnel

Richard Draper, adv dir

Advertising Agency

Ogilvy & Mather, New York—Kelly O'Dea, senior vp; Irene Frary, Gary Gigot, vp-mgmt supers; Jeff Bertrand, Bruce Nathanson, Kathy Moriarty, Mary Gael Senko, Audrey Shuman, acct supers.

AT&T CONSUMER PRODUCTS

Marketing Personnel

Lee Blinch, adv mgr

Advertising Agency

N W Ayer, New York—Ruth Salevouris, senior vp; Lee Rubin, Dick May, vp-mgmt supers; Jack Rayher, Linda Stack, Alison Danis, acct supers, sales & lease of prod to consumers, PhoneCenter Stores.

AMR Corp.

RANK 72

Dallas

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	5,354	4,763	8.0
Net income	234	227	2.6
Advertising	111	89	25.0
Division sales			
Passenger	4,336	3,865	12.1
Other	1,018	878	15.9

AMR Corp., based at Dallas-Fort Worth International Airport, is the nation's 72nd largest advertiser, with estimated total advertising expenditures of $110.8 million in 1984, a 25% increase over 1983.

The 1983 return to profitabilty by AMR's principal subsidiary, American Airlines, led to the company's best year ever in 1984 and further records and growth in the first half of 1985.

AMR's 1984 net earnings of $233.9 million on total operating revenues of $5.4 billion reflected a 2.6% increase over 1983 earnings and a 12.4% increase over 1983 total operating revenues.

The record year was achieved despite the third quarter, when yields were depressed by the vigorous discounting and competition for market share from Braniff, Continental Airlines, People Express and American's other major competitors.

Hans J. Plickert, analyst for E.F. Hutton, attributed the third-quarter earnings lag to reduced traffic during the 1984 Olympic Games and political conventions, in addition to the continued heavy discounting.

American Airlines' 1984 fourth quarter was hurt by extensive weather-related service disruptions in December, forcing the cancelation of more than 900 flights.

In the first half of 1985, AMR reported first-quarter net income of $60.2 million on revenue of $1.39 billion, compared with first-quarter 1984 net income of $60.3 million and revenue of $1.27 billion. AMR's 1985 second quarter was the best quarter in the company's history, with net income of $173.9 million on revenue of $1.688 billion, compared with 1984's second quarter in which net income was $71.4 million on revenue of $1.362 billion.

The record first half was boosted by response to American's new Ultimate Super Saver fare, introduced Jan. 17, and by a 29-day strike of United Air Lines, which American has passed in market share as a result of the strike.

American's Ultimate Super Saver fare cut ticket prices by 38% to 70% in more than 2,400 markets, but introduced new restrictions including a 30-day advance purchase requirement, minimum and maximum stays, capacity controls, and a 25% penalty for refunds or changes once the ticket has been purchased.

The new fare represented an attempt by American Airlines to simplify fare categories and to more effectively compete in the growing discretionary travel market with carriers that are able to offer lower fares because their costs are much lower.

Because of the new fare and United's strike, American in each month of the first half of 1985 was reported to have achieved either record traffic for that month or for any month in the airline's history. The trend continued into July when American reported it flew 4.4 billion revenue passenger miles, a 30.8% increase over traffic in July, 1984, and just short of the 4.5 billion revenue passenger miles in June, 1985. A revenue passenger mile is defined as one fare-paying passenger flown one mile.

The performance prompted Standard & Poors to raise its rating on most of American's outstanding debt by two notches to A-minus from BBB, and to refer to American as "the airline industry's most innovative carrier."

The combined effect of the United strike and American's own strong performance during the first half of 1985 thrust American into the lead of domestic traffic and market shares. American's domestic market share for the period was 15.17%, up from 14.07% the previous year's first half, according to First Boston Corp., New York.

In the same period, First Boston research reported United with a 14.35% share, down from its previous year's first half market share of 18.11%. The next largest carriers were Eastern and Delta with 11.59% and 10.99% shares, respectively, followed by TWA (6.42%), Continental (5.78%) and Northwest (4.29%).

In addition to continuing its cost reduction program throughout the period, American continued to expand its operations. This effort was designed to further reduce unit costs and place American on a more competitive cost basis with what First Boston research refers to as the "new entrants and born-again airlines of the industry."

According to that research conducted by analysts Michael Derchin and RoseAnn Tortora, American plans to grow 17% to 18% annually over the next five years to reduce unit costs through hiring new employes at "market rates." "By the late 1980s," their report predicts, "American's unit costs could dip below 7%," a very competitive cost.

American also is expected to expand its fleet between 1985 and 1991, during which time First Boston says American's total fleet is expected to grow from 260 to at least 454 aircraft at a cost of more than $5 billion.

American's chief hubs at Dallas-Fort Worth and Chicago have continued to expand, but according to First Boston research, growth at those hubs will be limited by facilities and, therefore, expansion will come at a slower rate. Thus, American has begun development of new hubs at Nashville, Tenn., and Raleigh/Durham, N.C., and has plans for a hub at Denver when new facilities are available. And other hubs may be opened as well, according to First Boston research, which speculates that a Caribbean hub is to be announced, perhaps along with a West Coast hub and a new north/-south hub.

Such hubs enable American to feed traffic into its long haul system while competing more effectively with the lower-cost regional airlines that are thriving on short haul routes.

Also to stimulate feeder traffic at major cities throughout the country, American in October, 1984, began development of American Eagle, a network of regional airlines fully integrated into the American Airlines domestic route system and service, complete with joint marketing efforts, through-fares, luggage service and reservations via American's reservations system.

Metro Airlines, Houston, and Chaparral Airlines, Abilene, Tex., were the first two to fly the American Eagle colors, beginning in late 1984. Air Virginia, Lynchburg, on May 15, 1985, became the third American Eagle carrier.

By the end of 1984, the new AMR Services Corp., designed to offer aircraft handling services to other airlines, had signed 29 contracts that AMR expects to generate annual revenues of about $10.2 million.

Of American's 1984 total passenger revenues of $4.3 billion, 93% were derived from domestic travel, and 7% were derived from international travel (Caribbean, Mexico and Great Britain). In 1985, American expanded its international routes with schedules including Frankfurt, Paris and Montego Bay, Jamaica.

At the beginning of 1985, *American Way*, American's in-flight magazine (named 1985's "magazine of the year" by the American Society of Journalists & Authors) increased its frequency to 26 times a year from monthly. The magazine's design also was updated and streamlined.

The magazine's publishing group, led by Walter A. Damtoft, expanded its operations in mid-1985 to begin publishing magazines for outside entities. American's first outside publishing venture will be Private Clubs, a monthly magazine to be published for Club Corp. of America, starting in March, 1986, with initial circulation of 200,000.

After nine years with the ad theme of "Doing what we do best," American introduced a new theme, "Something special in the air." The campaign broke Sept. 10, 1984, in all media. Bozell & Jacobs/Southwest, Dallas, continued to handle the airline's account.

American chose TBWA in Paris and Frankfurt as its agency to handle advertising in France and Germany, an account estimated at about $2 million.

Although American's total advertising expense, as reported in its 10K, rose 25.4% in 1984, its measured advertising expense rose 92.8% to $68.8 million, from $35.7 million. Most of that increase went into broadcast media, but magazine, newspaper and outdoor expenditures were also increased, reflecting the airline's expansion and strongly competitive posture.

American's unmeasured advertising expense fell 20.2% during 1984 to $42.0 million from 52.9 million. The company declined to confirm its figures or detail the nature of its unmeasured spending. Typically for an airline, sales promotional efforts make up much of the unmeasured spending as do heavy spot market placement in newspapers.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	13,496	12,790
Magazines	4,077	405
Network cable	20	35
Spot tv	16,632	12,326
Network tv	22,273	1,707
Spot radio	11,994	8,301
Outdoor	341	135
Total measured	68,833	35,698
Total unmeasured	41,967	52,942
Estimated total	110,800	88,640

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Marketing Personnel

Robert L. Crandall, chmn, president
Thomas G. Plaskett, senior vp-mktg
William P. Shannon, senior vp-field sales & service
Michael W. Gunn, vp-passenger sales & adv
Ann Smits, asst vp-adv
Lowell C. Duncan Jr., vp-corp communications
William E. Crosby, vp-passenger services
M.E. Olsen, vp-capacity planning
Martin F. Brueckner, vp-freight mktg
Carney W. Wenrich, senior dir-freight sales & adv
Bruce S. Goodyear, Judith A. Kirvan, William Quackenbush, Andrea Spica, mgrs-adv
Gregg Mavico, mgr-adv admin
Frank J. DiNuzzo III, senior dir-sales promo
Willard J. Dreslin, dir-sales promo

Advertising Agency

Bozell & Jacobs/Southwest, Dallas—passenger & freight—Paul Gold, senior vp-group acct dir; Tom Hooke, vp-acct dir; George Landis, acct supers; Leslie Brown, Jeannette Everitt, John Thomsen, Anita Wheeler, Chris Clark, acct execs.

Anheuser-Busch Cos.

St. Louis

RANK
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($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	6,501	6,034	7.7
Net income	392	348	12.5
Advertising	364	306	18.9
Division sales			
Beer	5,390	4,908	9.8
Food prods.	1,354	1,320	2.5
Diversified	170	150	13.5

Anheuser-Busch Cos., St. Louis, the nation's 19th largest advertiser, increased ad spending 18.9% to an estimated $364.4 million in 1984, compared with a revised $306.3 million in 1983.

A-B's brewing operations contributed gross sales of $5.39 billion, or 78% of total 1984 sales, a 9.8% increase over 1983 brewing sales of $4.91 billion. Beer volume for the year was 64 million bbls., up 5.8% from 1983. Those increases are especially significant given the stagnancy of the brewing industry, which grew less than 1%. A-B was the only major brewer to show a gain in barrelage in 1984. As a result, the nation's largest brewer gained an even larger share of the market.

A-B estimates that it accounted for 34.6% of the domestic malt-beverage market in 1984, compared with 32.6% in 1983. A-B's barrelage lead over the No. 2 brewer—Miller Brewing, Milwaukee, increased by 26.5 million bbls. Miller reported flat year-to-year volume of 37.5 million bbls. It had a 1984 market share of slightly more than 20%.

A-B chairman August A. Busch III gave much of the credit for the strong brewery showing to "aggressive advertising and merchandising surrounding Anheuser-Busch sponsorship of the Los Angeles Olympic Games."

Aggressive advertising and accelerated new-product development were needed throughout the year as the beer market's sluggishness brought higher ad spending levels by all major brewers, which fought to hold or build their market shares.

The other method of choice for building sales was through introduction of new products or the attempted creation of new segments within the brewing industry. In January, 1984, A-B announced it soon would begin testing a low-alcohol beer (less than 2% alcohol vs. the 4% to 5% alcohol content of regular beer), a product category that Cincinnati-based Hudepohl Brewing and Philadelphia-based C. Schmidt & Sons already had created.

In April, 1984, A-B entered its low-alcohol product, called "LA," into test markets. The new account was awarded to Budweiser agency D'Arcy MacManus Masius, St. Louis. Barely a month later, before it could really gauge the potential size of the audience for low-alcohol beer, A-B began a national rollout for LA.

Using the theme "Sometimes it's the perfect thing to say," LA was positioned as an alternative for those occasions when regular-beer drinkers want to reduce alcohol consumption. It has not been pitched as a regular choice for those who for health or other reasons are interested in less alcohol. For its LA spokesman, A-B and DMM turned to octogenarian actor George Burns.

Wary of repeating their mistake of the late 1970s when skepticism about the potential for low-calorie beer gave Miller Brewing's Lite brand a headstart in that market and a leadership position it never has relinquished, other brewers quickly introduced their own low-alcohol brands, many of them carrying the letters "L.A." to designate lower alcohol content.

A-B filed a trademark infringement suit against Stroh Brewery, Detroit, which had begun marketing Schaefer L.A. A-B's position that "LA" was a trademark rather than a generic term was upheld by a St. Louis federal court, and Stroh changed its brand to Schaefer Low-Alcohol.

La Crosse, Wis.-based G. Heileman Brewing (which began marketing low-alcohol extensions of its Old Style, Blatz, Rainier and other brands) filed suit against A-B in Milwaukee, seeking a ruling that L.A. is generic. Miller Brewing later joined that suit, which is still pending nearly a year later.

How that controversy is resolved may not be too important. The low-alcohol category has been met with minimal consumer interest. But however large the category, A-B's LA has a commanding share of it thanks to disproportionate advertising support. Analysts estimate that A-B produced only 500,000 bbls. of LA, for which it spent $23.7 million in measured-media advertising. That translates to $47.40 spent on advertising per barrel produced. For flagship Budweiser, A-B spent $1.69 in advertising per barrel.

None of the other brewers could compete with that kind of ad spending. While their low-alcohol beers are still marketed, the category effectively has been conceded to A-B.

The company's other major new product was King Cobra, its first entry in the malt-liquor category since it withdrew Budweiser Malt Liquor from the market in 1973. The new malt liquor was tested during 1984 under both the King Cobra and Jaguar names, with the former name chosen in October. Measured media spending last year for the brand (under both names) totaled only $80,000, all in outdoor.

Michelob Classic Dark, a bock-beer extension of its superpremium brand that had been available on draft since 1976, was introduced nationally in bottles. Measured media spending was $325,000.

Wine is not a new business for A-B, but it is becoming a more important one. Responsibility for the Anheuser-Busch Wines unit was transferred to the brewery subsidiary from the corporate planning department to facilitate its expansion, which quickly followed. Availability of A-B's Master Cellars wines, sold only in taverns and restaurants, was expanded to California and Nevada from the brand's original Colorado test markets.

Despite that wine-making capability, A-B remained one of the few major brewers without an entry in the fast-growing cooler business. Stroh, Heileman and Adolph Coors Co. introduced wine or malt-based coolers, but A-B has resisted.

While nurturing these new products, A-B has continued to focus corporate attention and most of its advertising budget on its existing brands.

Budweiser remains the rock on which the A-B empire rests. To say it is the nation's largest-selling beer doesn't fully communicate its size. The Budweiser brand alone accounts for about 25% of the domestic beer market (No. 2 brand Lite beer from Miller accounts for 10%). A-B produced 44.3 million bbls. of Bud in 1984, about 70% of the company's total volume. The total volume for No. 2 brewer Miller Brewing is only 85% of the volume of Budweiser alone.

Budweiser's ad budget reflects that importance as well as the increasingly competitive tone of the beer market. A-B placed an estimated $75 million behind the brand in 1984, up 25% from the $60 million spent in 1983 and nearly double the 1982 outlay. The longtime "This Bud's for you" theme continues.

One of A-B's best-performing brands in 1984 was Busch, its popularly priced (below the premium category occupied by Budweiser) brand. Production increased from 3.4 million bbls. to 4.3 million as A-B began expanding the brand's marketing territory and increasing its ad budget. Measured-media spending for Busch—with the theme "Head for the mountains"—increased 28% to $8.7 million.

A-B has positioned its two light-beer brands to address different markets. Bud Light, originally introduced as Budweiser Light, is being positioned as an on-premise brand to battle Miller Brewing's dominant Lite beer. A-B dropped the "Bring out your best" approach in favor of a campaign urging tavern patrons to ask for Bud Light by name. In dozens of spots, all of which take place in taverns, patrons who ask only for a "light" receive flaming torches or arrows, lanterns or anything but a beer.

Ad spending for Bud Light has increased steadily since the brand was introduced in 1982. Last year, A-B spent $56 million for the brand, 12% greater than the measured media the previous year.

A-B's other light brand, Natural Light, is positioned to tackle the take-home, off-premise market. Its advertising is the opposite of that for Bud Light: Tv spots all are set in homes, none are set in taverns. Advertising is themed "The beer with a taste for food" to reinforce that at-home positioning.

With increased emphasis on establishing and building the Bud Light brand, ad support for Natural Light was cut to $2.5 million in 1984, less than half the $5.6 million spent in 1983.

A problem category for A-B—as well as other domestic brewers—was the superpremium category, which includes the Michelob and Michelob Light brands. The strength of the U.S. dollar brought down the prices of many imported beers with which the domestic superpremiums compete. An increase in the number of lower-priced beers in the hotly competitive market also hurt the upper-end superpremiums.

A-B reviewed the advertising assignments for both its superpremiums, handled by Budweiser agency D'Arcy MacManus Masius, St. Louis. In July, 1984, responsibility for Michelob was shifted to Ted Bates Advertising/New York; Michelob Light was moved to Needham Harper Worldwide, Chicago.

Bates' new Michelob campaign, themed "Where you're going it's Michelob," and Needham's Michelob Light effort, themed "Who says you can't have it all," both target upwardly mobile young professionals and position both brands as appropriate "regular" buys for this age and income group. Past advertising had portrayed the brands as suited to "special occasions" or weekends.

Measured ad spending in 1984 for Michelob was $35.5 million, up slightly from the $33.6 million spent in 1983. Michelob Light's budget remained steady at $24.5 million.

In 1985, A-B made news with two nonproduct-specific advertising campaigns. One was a "corporate quality" campaign that featured all A-B brands and an unabashedly patriotic tone. The 60 and 90-second corporate ads carry the theme "Somebody still cares about quality" and were created by D'Arcy.

A-B and all other brewers have been caught in an increasingly hot national debate over alcohol abuse, such as drunken driving. Brewers have increased expenditures for anti-abuse efforts by wholesalers and tavern operators. But A-B became the first major brewer to run an anti-alcohol-abuse message on network tv in February, 1985. The 10-second spots, featuring San Diego Padres star Steve Garvey, are themed "Know when to say when."

The company continues to be among the largest cable tv advertisers, although measured expenditures in 1984 of $15.5 million were slightly below the $15.8 million spent a year earlier.

A-B's attempt to create its own cable network ended early in 1985 with the discontinuation of Sports Time Cable Network. That network, a joint venture of A-B and Multimedia Inc., offered primarily sports programing in St. Louis, Kansas City and Cincinnati. An inability to expand beyond those markets as well as failure to gain sufficient advertiser interest led to the shutdown.

A-B still is trying to find its way with Campbell Taggart, the bakery company it purchased in 1982. In January, 1984, the CT ad account was split between Bloom Agency, Dallas (which had handled the account before A-B's acquisition) and Benton & Bowles, New York. Under that split, B&B handled the Colonial, Rainbo, Kilpatrick's and Roman Meal brands, and Bloom handled the Earth Grains variety breads. Less than six months later, however, the B&B brands were moved to D'Arcy MacManus Masius, St. Louis.

Ironically, the merger between DMM and Benton & Bowles announced in 1985 caused Campbell Taggart to drop DMM because of the General Foods (Entenmann's) bakery business handled by its new partner. The CT account ultimately was consolidated at Bloom Agency in August.

Measured ad spending for the various CT brands in 1984 vs. 1983 if advertised both years were as follows: Breakfast Orange bread, $324,200; Colonial, $1.4 million vs. $991,300; Earth Grains, $2.8 million vs. $4.2 million; Rainbo, $2.4 million vs. $1.3 million.

Results were mixed for A-B's entertainment properties. Attendance at Busch Gardens (The Old Country), Williamsburg, Va., rose slightly to nearly 2 million visitors. Busch Gardens (The Dark Continent), Tampa, Fla., registered a 1.6% decline in attendance, with 2.85 million visitors. Attendance at the adjacent water park, Adventure Island, was up 6%. Attendance rose 14% at the Sesame Place park outside Philadelphia, but was down at the Dallas park, which did not reopen for the 1985 season.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	6,868	4,158
Magazines	7,536	10,931
Network cable	15,478	15,761
Spot tv	60,070	59,370
Network tv	166,416	116,515
Spot radio	38,288	40,676
Network radio	6,231	6,914
Outdoor	5,514	4,053
Total measured	306,401	258,377
Total unmeasured	58,000	48,000
Estimated total	364,401	306,377

ANHEUSER-BUSCH COS.
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Marketing Personnel

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Thomas E. Burnett, vp-mktg & operations, Campbell Taggart
Brian D. Smith, vp-mktg, Busch Entertainment
Joseph J. Kramer, president, Busch Creative Services
Thomas Sharbaugh, group mktg mgr, Budweiser, Bud Light, LA
David Drew, group mktg mgr, Michelob, Michelob Light, Michelob Classic Dark
David Morris, group mktg mgr, Busch, Natural Light
Robert Merz, senior prod mgr, Budweiser
Bob Goughenour, senior prod mgr, Bud Light
Albert Cummings, brand mgr, King Cobra
Mark Lamping, prod mgr, LA
Tom Barton, mgr-sports production
Ron Stratten, sports mktg super

Advertising Agencies

Ted Bates Advertising/New York—Michelob—Victor Bloede Jr., senior vp-mgmt rep.

Bloom Agency, Dallas—Campbell Taggart—Malcolm Dykes, acct super.

Castor Spanish International, New York—Hispanic mktg—Castor A. Fernandez, president, creative dir.

D'Arcy MacManus Masius, St. Louis—Budweiser, Natural Light, corp adv, Anheuser-Busch Brandwagon, Sports Time, LA—Jack Breummer, exec vp-mgmt super, A-B worldwide; Jerry Solomon, exec vp-broadcast group (New York); Al Lerman, exec creative dir; James Mayfield, senior vp-dir, regional mktg; Robert Murphy, vp-acct super, A-B corp; Todd Abrams, vp-acct super, Budweiser; James Palumbo, vp-acct super, LA, Natural Light.

JP Martin Associates, New York—King Cobra malt liquor—Joel Martin, president, creative dir.

Needham Harper Worldwide, Chicago—Busch beer, Michelob Light, Bud Light, new prod, Busch Entertainment Corp., Busch Gardens: The Dark Continent, Adventure Island, Tampa, Fla.; The Old County, Williamsburg, Va.; Sesame Place Parks, Longhorne, Pa & Irving, Tex.—Ronald Bess, group mgmt rep; John Greening, acct super, Michelob Light; Mike Kearns, acct super, Bud Light; Robert Lachky, acct super, Busch; Brian Goodall, mgmt rep, Busch Entertainment Corp.

TBWA, New York—Eagle snacks—Grant Castle, mgmt super.

RANK
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Apple Computer

Cupertino, Cal.

($ figures – 000,000)

Worldwide	1984	1983	% chg
Sales	1,516	983	54.2
Net income	64	77	-15.8
U.S.			
Sales	1,187	764	55.4
Operating profits	49	78	-38.0
Advertising	100	35	185.7

Apple Computer entered the ranks of the top 100 national advertisers for the first time in 1984, climbing to 77th position with an estimated $100 million in 1984 ad spending, a 185.7% increase over 1983.

Measured media spending for 1984 was $84.5 million, an increase of 205% over 1983 that reflects the company's showy introduction of the Macintosh computer.

The question for 1985 is will Apple stay in the big leagues of ad spending.

The undisputed champ in personal computers from 1977 to 1981 has some bruises from mixing it up with International Business Machines and other competitors in a market that's lost its zip. Apple co-founder Stephen Wozniac left in early 1985. Steven Jobs, the other half of the duo that founded Apple, resigned in mid-September as chairman after losing any operational control at midyear.

The reins now are held by Apple president-ceo John Sculley, a PepsiCo marketing veteran who is reshaping Apple's sales and marketing staff and tactics.

One change is that Apple's high flying ad budget, which bankrolled some of the most talked about advertising in recent years, is being brought down to earth. The level of 1985 ad spending will depend on the coming fourth-quarter holiday season. There's been widespread speculation that this year's Sculley-inspired, cost-cutting program could put the 1985 ad budget at half that spent in 1984. Apple declines specifics, but Mr. Sculley has indicated he is cautious about prospects for fourth-quarter sales.

For the fiscal year ended Sept. 28, 1984, the Cupertino, Cal., company had total revenues of $1.52 billion, an impressive 54% increase over the prior year. In the nine months ending June 28, 1985, revenue climbed to nearly $1.5 billion, and net income was $38.9 million, up 16.8%. The 1984 corresponding period had a $1.1 billion in revenues and $33.3 million in net income. However, the 1985 nine-month cumulative total hid third-quarter results in which earnings dropped to a loss of $17.2 million from a gain of $18.3 million in the corresponding quarter of 1984, and sales were $374.9 million, off 11.2%.

Much of the loss, however, was a writedown related to Apple's cost-cutting measures taken in mid-1985 to consolidate divisions, close plants and dismiss employes. William V. Campbell, Apple's new exec vp of U.S. marketing and sales, says that without the extra one-time costs, the company presumably would have broken even.

The personal computer business, going into the latter half of 1985, is more static than electric; Compaq is said to be doing well but the others are in the doldrums.

Apple attributes this slowdown to a "pause" in the computer industry caused by a consumer-holding pattern, as potential buyers await new announced models not yet out of the gate, and the general slowdown in the U.S. economy.

Apple in the meantime has taken reorganizational steps aimed at protecting its role as second only to IBM in manufacturing personal computers. Apple was to close three manufacturing sites by September.

In the reorganization, Apple merged its product divisions into a single sales and marketing organization to become more market-driven and less product-driven, with key emphasis on consumer, education and business markets. This replaces a structure in which each product had its own general management, product development, marketing, manufacturing, finance and management information systems staffs. Such actions have led to the elimination of 1,200 jobs, or 21% of the Apple work force.

In a separate action, Stephen Wozniac, the young engineer co-founder of Apple, voluntarily left the company, and his marketing-minded engineer partner and founder Steven Jobs was moved into a board chairman position minus operational responsibility prior to his departure, apparently at the behest of Mr. Sculley, the company's president-ceo since 1983.

In 1984, Apple had measured advertising expenditures of $84.5 million, an Olympian leap over the $27.7 million it spent in 1983. From its first product, a computer construction kit produced in Mr. Jobs' garage, to 1984's Macintosh, emphasis at Apple has been on making the computer simple enough to be quickly usable by just about anybody. Messrs. Wozniak and Jobs chose the name Apple to characterize such simplicity.

New or refined Apple products for 1984 and 1985 to date included the Macintosh and the Apple IIc, further developments for the Apple IIe, accessories to make the Macintosh more attractive to business-office customers, and software to improve compatibility between the Macintosh and Apple II and other systems.

The new Alpha IIe software makes the Macintosh and IIc wholly compatible. Apple is scheduled this fall to introduce a plug-in circuit card that will interface IBM personal computers with the Apple computer link network. Also due in late 1985 is a hard-disc "filing cabinet," called a file server, for users of the AppleTalk network.

Apple's three major product lines now consist of:

- The Apple II line originated by Mr. Wozniak, which includes the new Apple IIe, which is a more elaborate computer system used by businesses and schools; Apple IIc, a portable computer for the "serious" home microcomputer user, and the powerful Apple III, a specialized computer used by professionals in research, business and industry.
- The Apple 32 SuperMicro family, now including the Macintosh.
- Apple accessory products is the third category. This includes the 1984-85 introductions of the Macintosh Office with its AppleTalk, LaserWriter and (promised for fall, 1985) the AppleTalk PC Card. AppleTalk is a network that connects as many as 32 Macintosh computers plus peripherals within 1,000 ft., with provisions for linkage to other networks.

LaserWriter, based on a design by Canon Inc. of Japan, links to Apple computers and AppleTalk to produce high-quality text and graphics. The AppleTalk PC Card, which Apple says indicates its decision to co-exist with archrival IBM, lets IBM's PC communicate with Macintosh and on through the Apple network to other Apple gear.

Top 25 newspaper advertisers

Rank	Advertiser	Newspaper ad expenditures ($000) 1984	1983	% chng	as % of co.'s 1984 ad total
1	General Motors Corp.	$109,359	$88,579	23.5	14.3
2	R.J. Reynolds Industries	101,990	112,343	(9.2)	15.0
3	Philip Morris Inc.	69,023	65,272	5.7	12.1
4	Ford Motor Co.	62,063	49,603	25.1	11.1
5	American Telephone & Telegraph	58,200	71,995	(19.2)	10.3
6	RCA Corp.	36,963	31,716	16.5	15.4
7	International Business Machines	36,036	11,720	207.5	9.6
8	Chrysler Corp.	34,962	31,846	9.8	11.0
9	Delta Air Lines	26,332	31,810	(17.2)	39.4
10	Batus Inc.	25,317	27,803	(8.9)	22.3
11	CBS Inc.	21,519	15,829	35.9	12.0
12	Trans World Airlines	21,436	21,935	(2.3)	32.4
13	Eastern Air Lines	18,654	22,461	(16.9)	30.7
14	Texas Air Corp.	17,636	16,872	4.5	N/A
15	Loews Corp.	17,095	22,533	(24.1)	12.4
16	American Broadcasting Cos.	16,155	10,304	56.8	23.4
17	General Electric	14,984	12,220	22.6	7.4
18	Toyota Motor Sales Co.	14,913	12,571	18.6	10.8
19	AMR Corp.	13,496	12,790	5.5	12.2
20	Time Inc.	13,320	11,428	16.6	9.9
21	Nissan Motor Corp.	13,170	444	39.5	8.0
22	Grand Metropolitan p.l.c.	12,842	4,375	193.5	16.9
23	Beatrice Cos.	12,340	5,683	117.1	1.8
24	NYNEX	11,781	N/A	N/A	N/A
25	Hyatt Corp.	11,761	N/A	N/A	N/A

Source: Media Records

Apple for some time has supplied accessories that can link its microcomputers to other makers' mainframes and microcomputers.

Apple was the No. 1 personal computer seller from its 1977 entry into the market until 1981, when IBM entered the field. By 1984, IBM had pushed Apple from first place in production, taking a 27% share of the $11.2 billion personal computer industry to Apple's 25% share.

Now IBM has dropped the PCjr, showing how fickle the market is. Before the so-called "Peanut" was discontinued in March, 1985, it did its damage to Apple. Apple this past Christmas was left with high inventories when the public was lured to a technically improved, discounted and heavily rebated ($500 per machine) PCjr that produced sales of about 200,000—90% of which would have gone to the IIc, according to analyst estimates.

This experience has encouraged Apple in its marketing strategies—to be more hard-hitting and less casual, for example, with advertising.

Before Mr. Sculley's arrival, Apple had done well with its Apple II personal computer models, but it had failed to penetrate the business computer field, dominated by IBM, with the two higher-powered computers designed for that mission, the Apple II and Lisa. Apple operated according to the needs of its two product-making divisions—Apple II and Macintosh—not marketing considerations.

Mr. Sculley took a marketing tack that avoided head-to-head competition with IBM in specific areas, such as major corporations, but pursued sales in the larger arena of business. He personally took over management of the Apple II division and created a new Apple sales system by eliminating its many independent manufacturer's representatives.

He hired a new Apple sales force 350-strong and struck new central buying agreements with major chain outlets such as Sears, Roebuck & Co. and ComputerLand. He beefed up Apple's dealer sales force by a third, to 2,000, to take advantage of the fact that in the computer business, dealers make about 80% of all sales.

When the success of a price-cutting strategy on Apple II sales, among others, provided the cash, Apple started across the tv screens with revolutionary Macintosh advertising, the work of Chiat/Day, Los Angeles.

On Super Bowl Sunday in January, 1984, Apple premiered its striking "1984" 60-second tv commercial in which a sledge-hurling female athlete races toward a giant screen to shatter the blue image of an Orwellian big brother. The commercial, with obvious IBM overtones, introduced Macintosh and cost $1.3 million for air-time and production; it sold more than $3.5 million in computers directly after it aired, and within the next 100 days, another $100 million worth—70,000 computers—were sold.

Apple tried to repeat its Super Bowl ad success in 1985. The new Chiat/Day spot, titled "Lemmings," showed business execs marching in lock step over a cliff. It won mixed critical reviews.

After the 1984 tv premiere, a 20-page Macintosh magazine insert appeared as a followup. During 1984, Apple ran additional 20-page Macintosh inserts in popular business magazines, and eight-page IIc inserts in broader-appeal consumer books. In *Newsweek's* election-week special edition the first week of November, 1984, Apple owned the book, as the sole advertisr, with 40 full pages of Macintosh promotion costing $3 million.

Apple's spending for tv in 1984 totaled $45.6 million including $42.8 million for network tv, up from only $11.2 million in 1983. Total measured spending for Apple was $84.5 million, up from $27.7 million.

Spot tv got $2.8 million, up 88%; magazine spending rose sharply to $21.5 million from $7.04 million in 1983; spot radio increased almost fourfold to $8.4 million, from $2.23 million, and newpaper expenditures were up 53%, to $8.03 million. In six media-measured product spendings monitored by Leading National Advertisers, Macintosh received the heaviest advertising support in 1984, with a total of $35.9 million compared with just $3,000 in 1983, all of it for outdoor. Macintosh 1984 spending included $22.8 million for network tv; $2.2 million for spot tv; $10.9 million for magazines, and about $113,000 for newspaper supplements. Apple II spending was up 107% in 1984 to $29.1 million.

The biggest chunk of Apple II spending in 1984 of $24.73 million was spent to promote the IIc, $20.02 million for network tv, $506,400 for spot tv and $4.20 million for magazine space. Spending for combined IIc and IIe advertising in 1984 fell to about a third of its 1983 total, dropping to $4.17 million from $13.8 million in 1983.

Apple, well situated in the home and educational markets, is now attacking the business market with the Mac, but from the small business side rather than the *Fortune* 500 end. For the whole personal computer micromarket in the U.S., IBM has about 28% share; Apple, 13.8%; Compaq, 8%; Commodore, 6.7%; Hewlett-Packard, 5.8%; Tandy, 5%, and AT&T, 2%.

However, in the business office segment of the market, Tandy is in second with 11%, up from 10% in 1983. Apple is down to 9% from 19% in 1983 and 22% in 1982. IBM remains the leader with a 40% market share in 1984, up from 30% in 1983, and 18% in 1982. Others, in their 1984 order, are Hewlett-Packard, 5%; Compaq, 5%; Wang, 4%; Zenith, 3%, and DEC, 3%. In the $20 billion world personal computer market, International Data Corp. says Apple should take a 16% share in 1985.

Duff & Phelps analyst Jay Samstag in Chicago says Apple faces two obstacles on the business front—IBM, which is considered the standard, and Apple does not have a hard disc. Apple, of course, is attempting to remedy both concerns with heavy advertising for the Macintosh aimed at small businesses and the introduction this fall of the hard disc electronic filing cabinet to serve users of the AppleTalk network.

"The important factor now is how well they [Apple] are supporting dealers with advertising—and how well they are supported by dealers," he says. Most small businesses rely on the computer retail store for their computer hardware and software purchases.

Securities analyst John Girten of Birr Wilson, San Francisco, says despite the third-quarter financial reports, Apple is looking strong. "Inventory levels are good. Sculley apparently is not building up inventory too much for Christmas. A good Christmas level of sales would be $450 million to $500 million. Last year's total was about $700 million at Christmas. Purely from a financial angle things are looking better than three or four years ago."

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	8,027	5,232
Magazines	21,468	7,041
Network cable	1,051	448
Spot tv	2,798	1,489
Network tv	42,753	11,185
Spot radio	8,382	2,230
Outdoor	17	56
Total measured	84,496	27,688
Total unmeasured	15,504	7,320
Estimated total	100,000	35,000

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John Sculley, president-ceo

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Michael Lorelli, mktg dir
Bruce Mowery, adv & sales promo mgr

Advertising Agencies

Chiat/Day, Los Angeles—personal computers—Bob Pinzler, mgmt super; Mike Aarons, mgmt super; Greg Helm, acct dir;

Caroline Beck, acct super.

Krupp-Taylor, Los Angeles—direct mail —Murray Bowesm, exec vp.

RANK 71

Batus Inc.

Louisville, Ky.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	6,211	6,064	2.4
Net income	314	259	21.3
Advertising	113	146	-22.4
Division sales			
Tobacco	2,264	2,133	6.2
Retail	3,374	3,145	7.3
Paper	572	465	23.1
Other	N/A	320	N/A

Batus Inc., Louisville, Ky., the nation's 71st largest advertiser, cut its ad spending 22.4% to an estimated $113.4 million in 1984, the second straight year it has slashed advertising outlays.

The cutbacks in ad expenditures paralleled stagnant sales at Batus, the U.S. subsidiary of London-based B.A.T. Industries p.l.c., as it recorded only a 2% sales increase to $6.21 billion in 1984. Net income, however, jumped 21% to $313.5 million. Both were records.

Despite losing market share, Brown & Williamson Tobacco Corp., Batus' tobacco marketing subsidiary and the nation's third-largest cigaret company, contributed heavily to the parent's fortunes. B&W's sales rose 6% to $2.26 billion in 1984 while operating income rose 6% to $427.8 million. B&W operating income contributed 59% of total operating income of $729.2 million at Batus in 1984, about the same percentage as in 1983.

That compares with Batus' retail group, which in 1984 experienced a 10% decline in operating income to $196.1 million. However, sales for the group, which includes Marshall Field & Co., Saks Fifth Avenue and Gimbels, rose 7% to $3.37 billion. Retail accounted for 54% of total Batus sales in 1984, up from 52% in 1983, and 26.7% of total operating income in 1984, down from 31.3% in 1983.

Like 1983, much of the decline in Batus' ad spending can be attributed to B&W. The tobacco subsidiary spent $58.4 million in measured media advertising last year, compared with $82.8 million in 1983, as it focused its efforts on new product development and point-of-sale promotions.

And like 1983, it was B&W that grabbed much of the marketing community's attention. It began testing two brands, launched a brand sold only in vending machines, rolled out nationwide with a 25-cigarets-to-a-pack brand and once again found itself locking horns with Liggett & Myers Tobacco Co. over the generic end of the cigaret market.

Of those events, the battle with Liggett has been the most engaging. It began in the summer of 1984 when B&W entered the generic arena, which had been limited pretty much to Liggett since the North Carolina company began making the low-priced cigarets in 1980.

Liggett immediately filed a suit charging B&W with predatory pricing and other unlawful tactics aimed at eliminating it as a competitor. B&W in March of this year filed a countersuit claiming Liggett was attempting to block it from gaining a foothold in the generic market. The generics segment has been the only one to grow in recent years, accounting for 5.5% of the industry sales last year, according to industry analyst John C. Maxwell Jr.

The strongest blow yet was struck in July, when B&W announced it had reached an agreement with Generic Products Co. of Fort Worth, Tex., to make its GPC approved generic label. The GPC label has been Liggett's since 1980 and is considered one of the top sellers of all generics.

General Products, which also was named as a defendant in B&W's countersuit against Liggett, did not disclose why it made the switch. But industry analysts say the move definitely is a setback for Liggett, which more than doubled its market share between 1981 and 1984 on the strength of generics.

B&W's aggressive moves in the low-price end of the market were not limited to private label generics.

As part of its "segmentation" strategy, the company introduced its 25-cigarets-to-a-pack Richland brand nationwide in the summer, playing up the "five free per pack" and "50 free per carton." B&W retails at the same price others charge for 20-to-a-pack brands. It also introduced a discount brand called Coins that is sold only in vending machines.

On the "high-end" front, B&W began testing in Portland, Ore., a low-tar brand called St. James Court. Dressed in a sleek bronze package, the brand is targeted toward the higher-income, image-conscious smokers much like R.J. Reynolds Tobacco Co.'s Sterling and Philip Morris Inc.'s Players brands.

And in the "macho" category, *vis a vis* PM's Marlboro, B&W is testing Eli Cutter, which is packed in black and gold and named for a mythical character that represents the rugged individualism of the 19th-century pioneer. The brand comes in both filter and nonfilter and is being tested in the Sacramento and Denver markets.

As for its established brands, B&W cooked up some new strategies, too.

For Kool, which remained the nation's fourth best-selling brand despite slipping to 7% in 1984 from 7.1% in 1983, it brought back the "Come up to Kool" slogan with ads that featured a motorcyclist. It also announced that it no longer would sponsor the Kool Jazz Festival, an unsurprising move because it cut measured media spending for the festivals to $85,000 last year from $2.7 million in 1983. Measured media spending for Kool fell to $25.7 million in 1984 from $33.2 million in 1983.

To shore up its Viceroy brands, B&W repacked its Rich Lights and Rich Lights 100s brands by replacing them with the Viceroy nameplate. Rich Lights, introduced in 1978 as a lower-tar version of its regular Viceroy brand, experienced a slight drop in market share last year while the overall Viceroy category held steady at 1.1% share. B&W also strengthened its Raleigh and Belair coupon-redemption program, spending $5.2 million in measured media advertising.

Once again, ad spending for B&W's Barclay brand fell sharply to $9 million in measured media from $23.2 million in 1983. The brand, introduced with a $150 million media campaign in 1981, slipped to less than a 1% market share, leading B&W to test a new marketing strategy that included renaming the brand to Barclay Ultra Lights.

Expansive changes also were made in B&W's relationships with its ad agencies. It first moved its consolidated $80 million media planning and buying account from Cunningham & Walsh, Chicago, to Ogilvy & Mather, Chicago. Other changes resulted overall in making C&W the big loser and O&M and Doyle Dane Bernbach, which grabbed the Kool and Viceroy accounts, the big winners in the agency shakeup.

Whether all the changes help B&W stem its falling market share remains to be seen. But company officials, noting that the market share fell only to 11.2% from 11.3% in 1983 after plummeting from 13.8% in 1981, say B&W already has stemmed the tide.

The revamped marketing strategies represent a three-year program initiated by Ivor Wallace Hughes, former chairman-ceo, who died in March and was replaced by Raymond J. Pritchard, who had been deputy chairman of British-American Tobacco Co., B&W's London-based sister company.

Other top executives who have played a key role in B&W's aggressive moves include Thomas E. Sandefur Jr., who was appointed president-chief operating officer of the company last year and came to B&W from competitor, R.J. Reynolds, and Richard A. Blott, who replaced Mr. Sandefur as exec vp and came to the company in 1982 from Gagliardi Bros., where he was president-ceo.

In its retail group division, measured media advertising fell to $12.4 million in 1984 from $14.8 million the previous year. Outlays fell for most of the subsidiaries except Saks Fifth Avenue, which opened new stores in Cincinnati and South Miami, and Kohl's, its value-oriented specialty department chain that opened three stores.

The company says most of its retail chains chalked up sales gains, but the profit picture was mixed. Operating income rose at Marshall Field's, Kohl's, Breuner's, Gimbels-Midwest and Ivey's-Carolinas, but fell at Saks, Frederick & Nelson, Ivey's-Florida, Gimbels-East and Gimbels-Pittsburgh.

Analysts say Gimbels in Philadelphia and New York as well as Frederick & Nelson in Washington are locked in battles with upscale competitors offering larger discounts. Many of the same forces affected Saks, although company officials continue to mark Saks for expansion. Analysts attributed Marshall Field's performance to its efforts to upgrade its Chicago area stores, most notably its Water Tower mainstay, which received a $100 million facelift.

The largest ad spender among the retailers was claimed by Gimbels, which recorded $2.8 million in measured media spending, down from $4.6 million in 1983. National newspaper advertising for retail stores is not monitored in this report—and it is undoubtedly the largest media category for retailers—leaving most retail spending to two media vehicles, magazines and spot tv.

Saks spending rose slightly to $2.6 million; Marshall Field's fell by about $800,000 to $2.5 million, and Kohl's received $1.4 million. Frederick & Nelson also was down, with $1.8 million in measured media spending compared with $3.1 million in 1983.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	25,317	27,883
Magazines	36,216	44,290
Network cable	91	31
Spot tv	11,480	14,235
Spot radio	0	37
Outdoor	12,089	22,420
Total measured	85,193	108,817
Total unmeasured	28,207	37,291
Estimated total	113,400	146,108

BATUS INC.
2000 Citizens Plaza
Louisville, Ky. 40202
(502) 581-8000

APPLETON PAPERS INC.
Appleton, Wis.
Marketing Personnel

John W. Turner, president
Daniel W. McIntosh, vp-mktg & sales
A. Sherman Frinak, exec asst to chmn
Robert D. Suess, dir-pr & corp communications
R.P. Sherrer, dir-mktg
S.W. Garratt, group prod mgr

Advertising Agencies

William Eisner & Associates, Hales Corners, Wis.—Tom Sarrahy, acct exec.

Yelton Design Co., Appleton, Wis.—Jeff Yelton, acct exec.

JOHN BREUNER CO.
San Ramon, Cal.
Marketing Personnel

Arnold Zetcher, chmn-ceo
Jeanine Vaughn, dir-mktg
Gerry Ferree, senior vp-sales promo & mktg

Advertising Agency

(In-house)—Gerald Ferree, senior vp-sales promo & mktg.

BROWN & WILLIAMSON TOBACCO CO.
Louisville, Ky.
Marketing Personnel

Thomas E. Whitehair Jr., vp-corp mktg
Carol L. Lomcka, creative services mgr
Thomas P. McAlevey, dir-media services & special events
R.D. Sharp, promo dir
Charlotte M. Smith, mgr-special promo
Linda L. Greenwell, super-promo fulfillments
Nancy A. Spriggs, super-promo couponing
A. Forsythe, promo dir
Robert J. Miller, Kenneth M. Burk, promo mgrs
Frank L. Criss, materials super
Gail Lyttle-Green, promo asst
J.S. Griffith, S.T.P. mktg dir
L.R. Lewis, dir-mktg operations
Winston L. DeWitt, senior vp-planning & admin
Betty A. Sproule, dir-forecasting & analysis
Denise Anderson, analyst, intl mktg
H.T Hughes, mgr-special projects
Andrew J. Mellman, dir-consumer rsch
J.D. Woods, rsch mgr
B. Pellett, senior analyst, mkt rsch
L. Gravely, James S. Wilhelm, rsch mgrs
D. Beatty, mkt rsch analyst
C.C. Middleton, dir-sales planning & admin
T.J. Mooring, mktg financial mgr
Bonnie L. McCafferty, dir-new prod
L.W. Butler, vp-sales

Advertising Agencies

Doyle Dane Bernbach, New York—Kool, Viceroy cigarets—Lynn Shunk, acct exec.

Geer, DuBois, New York—Richland cigarets—Brian Sherwood, exec vp-acct mgr; Mike Garcia, vp-acct super; Sergei Kuharsky, acct exec.

Grey Advertising, New York—Viceroy cigarets—R. Schoenfein, exec vp-mgmt rep; S. Dammers, vp-acct mgmt; R. Hendricks, vp-acct super.

McKinney, Silver & Rockett, Raleigh, N.C.—Belair & Raleigh cigarets, noncigaret prod—L. Jacobs, senior vp-partner; Fred Schmidt, vp-acct super; Mark Schofield, Tom Horner, acct exec.

Ogilvy & Mather, Chicago—Barclay cigarets—Rod Parker, acct super.

THE CRESCENT STORES
Spokane, Wash.
Marketing Personnel

B.S. Durant, president-ceo
Lea Werner, dir mktg & adv

Advertising Agency

(In-house)—Lea Werner, dir-mktg & sales.

FREDERICK & NELSON
Seattle, Wash.
Marketing Personnel

Richard A. Rayl, president-coo
Marilyn Levey, vp-mktg & sales promo

Advertising Agency

(In-house).

GIMBELS
Gimbel's East
New York, N.Y.
Marketing Personnel

Mathew D. Serra, president
Robert Fish, senior vp-operations
Neil Leavitt, Warren Katz, senior vps-genl merchandising mgrs
Robert Chance, senior vp-dir, stores
Milton Beaver, div vp, sales promo & mktg

Gimbels Pittsburgh
Marketing Personnel

Daniel H. Levy, chmn-ceo
Susan Weiner, senior vp-sales promo
Joseph Paneffidi, div vp-dir adv

Advertising Agency

(In-house)—Joseph Paneffidi, div vp-dir adv.

Gimbels Midwest
Marketing Personnel

Thomas G. Grimes, chmn-ceo
Roy Boutiller, senior vp-mktg
Laurence Gross, dir-adv

Advertising Agency

GMG Promotions (in-house)—Laurence Gross, dir adv.

IVEY'S
Ivey's Carolina Division
Charlotte, N.C.

James H. Shaw, president-ceo
Kirby Smith, senior vp-sales promo

Advertising Agency

(In-house)—Kirby Smith, senior vp-sales promo.

Ivey's Florida Division
Orlando, Fla.

Stanley Zweck-Bronner, president-ceo
Mason Allen, senior vp-merch
Raymond Cole, senior vp-dir adv

Advertising Agency

(In-house)—Raymond Cole, senior vp-dir adv.

KOHL'S DEPARTMENT STORES
Brookfield, Wis.
Marketing Personnel

William S. Kellogg, chmn-ceo
Curtis Natvig, senior vp-mktg
Randy Fields, dir adv

Advertising Agency

(In-house)—Randy Fields, dir adv.

MAS Consulting, Milwaukee, Wis.,—Maureen Mertens, acct exec.

MARSHALL FIELD'S
Chicago, Ill.
Marketing Personnel

Burnett Donoho, president
Frances Oda, vp-mktg
Tina Johnson, vp-direct response
George Love, senior vp-sales promo

Advertising Agency

Creative Field's (in-house).

SAKS FIFTH AVENUE
New York, N.Y.
Marketing Personnel

Paul Le Blang, senior vp-dir mktg
Helen O'Hagan, vp-dir, special events
William Berta, senior vp-sales promo & adv
Becky Wong, creative dir
Linda Gaunt, dir fashion publicity dir & pr mgr

Advertising Agency

(In-house)—Ross Bonanno, production mgr.

THIMBLE'S
New York, N.Y.
Marketing Personnel

Jay H. Baker, president-ceo
Milton Beaver, vp-mktg & adv
Greg Costello, creative dir, visual adv
John Russosa, creative dir, copy
Joseph Kassa, media dir

Advertising Agency

(In-house).

RANK 74

Bayer AG

Leverkusen, W. Germany

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	15,410	13,380	15.3
Net income	421	270	55.7
U.S.			
Sales	3,639	2,867	26.9
Operating profits	N/A	N/A	N/A
Advertising	105	89	17.9
Division sales			
Polymers	2,881	2,496	15.4
Organic chems.	2,131	1,737	16.5
Inorganic chems.	3,039	2,678	13.5
Health care	2,234	1,972	22.2
Agrochemicals	2,346	1,919	17.4
Agfa-Gevaert	2,508	2,136	17.4

Bayer AG, whose major U.S. advertising operation is Miles Laboratories. Elkhart, Ind., spent an estimated $105 million on advertising in the U.S., nearly a 17.9% increase over 1983, ranking the company as the 74th largest national advertiser.

Bayer AG, Leverkusen, West Germany, a worldwide supplier of chemical, healthcare, photochemical and phototechnical products, spent virtually all its U.S. advertising on Miles. ADVERTISING AGE this year is featuring Bayer AG, rather than just Miles, because of measured spending contributions from other subsidiaries in the U.S.

Bayer's other U.S. subsidiaries include Mobay Chemical Corp., Helena Chemical and Agfa Gevaert (which includes Compugraphic Corp.), and Haarmann & Reimer Corp. Bayer's U.S. sales were 24% of the world total, all of that coming from the U.S. subsidiaries.

Bayer AG's worldwide sales totaled $15.41 billion in 1984, a 14% increase over 1983, and income after taxes was $420.8 million, up 55.7% from 1983. Sales and earnings for both 1985 and 1984 fiscal years were converted from DM to dollars at the rate of DM2.79 = U.S.$1.

Miles Laboratories, which celebrated its 100th anniversary in 1984, had $1.15 billion in sales in 1984, up 3.2% from 1983, and net income of $27.6 million, down 22.2%, and operating profit of $60.2 million, down 37.1%.

Miles is made up of six groups: Pharmaceuticals, diagnostic products, Cutter, biotechnology products and consumer products. The consumer products group, which attracts the biggest ad dollar, is divided into two segments: Consumer healthcare and household products.

Bayer, however, categorizes Miles financial reporting into two segments: Healthcare and biotechnology. Healthcare reported sales in 1984 of $971.8 million, up 1.8% over 1983, and operating income of $68.9 million, down 33.4%. Biotechnology reported 1984 sales of $184.1 million, up 11.7%, and operating income of $13.9 million, up 54.4%. The poor sales performance is attributed by company officials to the continuing strength of the U.S. dollar. Some 33.7% of Miles' sales were international in both 1984 and 1983.

The largest advertising support at Miles was given to the Alka-Seltzer line, which received $26.3 million in measured spending, excluding last fall's line extension introduction, Alka Mints, a chewable antacid tablet that entered the $640 million category. It is positioned to compete against Warner-Lambert's Rolaid's and Norcliff-Thayer's TUMS, the latter holding a 5.6% share of antacids in drugstores and the No. 1 position in the chewable antacid category.

McCann-Erickson, New York, handles the $4 million Alka-Mints campaign. Network tv and consumer magazines form the bulwark of the Alka-

Mints campaign, with the latter carrying a free-sample offer. In addition, traditional Alka-Seltzer products carry samples of the tablets, and a direct-mail campaign effort sent 1.4 million samples to consumers.

Alka-Seltzer, the primary product of the line, is also Miles' principal consumer product, accounting for 9% of total company sales. Repositioned and supported with new advertising from McCann-Erickson, Alka-Seltzer received $17.2 million in measured advertising funds, up from $13.1 million in 1983. One campaign tied the Alka-Seltzer brand with H&R Block, the tax-form preparation company, to promote Alka-Seltzer as "tax relief." Still in the test-market stage is an extra-strength version of Alka-Seltzer, which contains 500 mg. of aspirin and boasts a higher acid neutralization capacity than the regular strength.

Another line extension product, Alka-Seltzer Plus, demonstrated the largest growth of any of Miles' consumer healthcare products, becoming the fourth leading brand in the cough-cold category, which last year totaled $340 million in drugstore sales. Wells, Rich, Greene, New York, the former Alka-Seltzer agency, continues to handle Alka-Seltzer Plus.

One-a-Day vitamins, an adult vitamin formula, was repositioned and restructured with two combinations of 13 vitamins and 13 minerals in a maximum formula version. One-a-Day Plus Iron was renamed Within, with advertising targeted to the female population. Reformulated with 150% of the recommended daily allowance of iron and 33% of calcium, Within attempts to reach women with the two nutrients said to be lacking in the diets of 80% of U.S. women.

Calcium as a single mineral supplement is being marketed by Miles under the Biocal name. Biocal is being promoted primarily to physicians and pharmacists for professional recommendation to consumers. In the six months ended June 30, 1985, Biocal held a 4% share of the calcium supplement drugstore sales market.

Miles continued to dominate the $80 million children's vitamin category with its Flintstones and Bugs Bunny vitamins. Flintstones advertising stresses the importance of nutrients to a child's growth. With advertising totaling $5.8 million in measured spending, down from $7.4 million in 1983, Flintstones managed to hold on to a 30% share of the children's vitamin market, despite increased competition from six new category entrants, which included E.T. vitamins (from E.R. Squibb), Pac-Man (Rexall Corp.) and Smurfs (Bristol-Myers).

Bugs Bunny vitamins were repositioned as a sugar-free, natural flavor and color children's vitamin product. The measured advertising was nearly tripled, to $3.2 million from $1.2 million, and packaging was updated as Miles sought to bolster its hold on the softening vitamin market. Nearly half of the Bugs Bunny budget was spent on tv. Tatham-Laird & Kudner, Chicago, handles all the Miles vitamin products.

Miles' household products business exceeded sales goals in 1984, though company sources refused to reveal figures. S.O.S. oven cleaning pads, introduced in 1983, have become the No. 2 product in the U.S. in the oven-cleaning segment. Last year, the product was presented to the Canadian buying public. S.O.S. steel wool soap pads are now 67 years old and remain the leading brand in all areas of the country, including the recently acquired lead in the New York market. The Doyle Dane Bernbach campaign stresses additional uses for S.O.S. pads with the theme "More than pots and pans."

The S.O.S. oven cleaning pads' measured media budget was increased to almost $4 million last year, up from $2.5 million, while the scouring pads received nearly $4.4 million, a slight increase over the $4.2 million spent the year earlier.

Cutter insect repellent, a part of Miles' household products division since 1983, was joined by three new line extensions, maximum strength, pump spray and individual packet versions. The product is sold in drug, food and sporting goods outlets.

Hospital-related products manufactured by Miles suffered the effects of a two-pronged attack. Cost-containment measures by hospitals and other healthcare businesses hurt sales, while new companies and new products further diluted performance. Softening the poor sales performance—up only 1.9% in 1984 over 1983—were several new-product introductions and updated versions of existing products.

In the fourth quarter of 1984, the company marketed a series of urine analyzers under its Ames division. The Ames Clinitek Series now includes Clinitek Auto 2000, for use by hospitals and large laboratories, Clinitek 200 for medium-sized laboratories, and Clinitek 10 for physicians' offices.

An updated version of Seralyzer Reflectance Photometers became the first instrument for use in the physician's office that combines tests for routine blood chemistries, therapeutic drug monitoring and tests for electrolytes in a single, flexible system.

The Miles Pharmaceuticals division saw a growth in prescription drugs, including cardiovascular medications, antibiotics, antifungals, dermatologicals and allergens. The company continues to market the Glucometer instruments and the Visidex strip test for self-monitoring of blood glucose by diabetics.

Miles' biotechnology products were led by the citric acid and enzyme businesses. The Marschall Products dairy ingredients division recorded more modest sales gains, despite its first full year's participation in the agricultural products business. Miles expects to see improved performance for Marschall with two new entrants—Ag-Master high moisture corn inoculant, a nutrient preservative, and Naturage, a new system that accelerates the aging of cheese while retaining flavor characteristics.

The Cutter biological division maintained its leadership position in products derived from blood plasma. Sales growth was recorded for the Gamimune immune globulin product, especially in the U.S. and Japan. Among Cutter's new products are the CLX system for seven-day platelet storage and a pasteurization step in the production of Koate and Konyne, used to promote blood clotting in hemophiliacs.

Cutter last year acquired an exclusive license to produce and market worldwide blood-clotting protein, Factor VIII, from Genentech Inc. of San Francisco, which was produced by Genentech's recombinant DNA technology. Cutter's major product receiving advertising spending is Cutter insect repellent, with spending of $889,500 in 1984, down 1.3% from 1983.

Mobay Chemical Corp., Pittsburgh, recorded U.S. sales of $1.55 billion, up 19%, and income before taxes of $135 million, up more than 100% due primarily to high-capacity utilization. Mobay produces agricultural chemicals and high-performance engineering plastics for the electronics, packaging and automotive industries. Its measured advertising in nine media was $3.9 million in 1984, $3.8 million of that in farm publications. Mobay is estimated to have spent more than $12.3 million on all advertising.

Agfa-Gevaert, with worldwide sales of $2.51 billion in 1984, up 17.4% from 1983, achieved a quarter of those sales in North America. A-G, marketer of color and black-and-white films, magnetic tapes, videocassettes and various technical photographic applications, bought a minority interest in Matrix Corp., Orangeburg, N.Y. in 1984. Matrix is active in image recording and processing in the medical profession. A-G spent $2 million in U.S. advertising in 1984, up from $1 million.

In major management changes, Klaus H. Risse became chairman-ceo of Miles Laboratories on June 13, 1984.

Top 25 magazine advertisers

Rank	Advertiser	Magazine ad expenditures ($000) 1984	1983	% chng	as % of co.'s 1984 ad total
1	R.J. Reynolds Industries	$193,816	$155,063	25.0	28.6
2	Philip Morris Inc.	140,070	140,367	(0.2)	24.6
3	Ford Motor Co.	97,101	80,346	20.9	17.4
4	General Motors Corp.	96,064	89,020	7.9	12.6
5	American Telephone & Telegraph	79,102	61,306	29.0	14.0
6	International Business Machines	63,098	27,172	132.2	16.8
7	Chrysler Corp.	61,596	44,845	37.4	19.4
8	Procter & Gamble Co.	49,735	40,185	23.8	5.7
9	Loews Corp.	49,255	45,250	8.9	35.7
10	General Foods Corp.	48,578	33,373	45.6	10.8
11	RCA Corp.	47,564	35,302	34.7	19.9
12	CBS Inc.	47,423	30,737	54.3	26.4
13	Beatrice Cos.	43,525	50,250	(13.4)	6.4
14	U.S. Government	40,043	25,499	57.0	13.9
15	Time Inc.	39,539	35,338	11.9	29.5
16	Jos. E. Seagram & Sons Co.	37,918	45,643	(16.9)	32.7
17	Dart & Kraft	36,233	33,219	9.1	13.5
18	Batus Inc.	36,216	44,290	(18.2)	31.9
19	American Broadcasting Cos.	33,679	23,827	41.3	48.9
20	Volkswagen of America	33,515	37,902	(11.6)	32.5
21	Bristol-Myers Co.	32,624	28,472	14.6	12.6
22	American Brands	31,583	35,473	(11.0)	23.7
23	Johnson & Johnson	31,424	23,239	35.2	10.5
24	Grand Metropolitan p.l.c.	28,523	26,180	9.0	37.4
25	E.I. du Pont de Nemours	27,430	26,147	4.9	30.1

Source: Leading National Advertisers (farm publications not included)

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	105	95
Magazines	2,144	2,878
Network cable	914	907
Spot tv	5,586	5,505
Network tv	47,855	39,003
Spot radio	361	64
Network radio	874	2,660
Outdoor	103	13
Farm pubs	3,996	3,070
Total measured	61,938	54,195
Total unmeasured	43,358	35,077
Estimated total	105,296	89,272

MILES LABORATORIES

P.O. Box 40
Elkhart, Ind. 46515
(219) 264-8111

CONSUMER HEALTHCARE

Marketing Personnel

F.E. Gustafson, president
S.M. Reim, vp-mktg, medicinal prod
W.T. Gildea, vp-mktg, new prod
M.B. Streicker, dir-media services
J.W. Howell, natl sales mgr

Advertising Agencies

Boger, Martin, Fairchild & Co., Elkhart, Ind.—Miles overseas military, Miles trade adv, Miles environmental test systems div—Robert B. Boger, president. Miles Alka-Seltzer bar—promo—Geoffrey Huyf, acct exec.

Clifford A. Botway Inc., New York—network tv & radio buying—Clifford A. Botway, chmn; Edward Kobza, president.

Conill Advertising Associates, New York—Hispanic adv—Fernando Garcia, acct super.

Kallir, Philips, Ross, New York—medical/professional adv—Bill Cronin, acct super; Lola Fiur, asst acct exec.

McCann-Erickson, New York—Alka-Seltzer—Michael Sennott, senior vp.

Sieber & McIntyre, Chicago—medical/professional adv—Lee Heiman, group acct super.

Tatham-Laird & Kudner, Chicago—One-A-Day vitamins, Bactine antiseptic, Bugs Bunny & Flintstones vitamins—Bill Youngclaus, ceo.

Wells, Rich, Greene, New York—Alka-Seltzer Plus Cold Medicine—Kenneth Olshan, chmn, WRG Worldwide; Larry Pollare, acct super; Marjorie Miller, asst acct exec.

HOUSEHOLD PRODUCTS

Marketing Personnel

J.W. Grant, president
H.G. Fitts, vp-mktg
R.R. Rowe, natl sales mgr

Advertising Agencies

Doyle Dane Bernbach, New York—S.O.S. & S.O.Ezy soap pads, S.O.S. oven cleaning pad—Rein Luik, exec vp; Lucille Cotugno, vp-mgmt super; J. Barickman, acct super.

Tatham, Laird & Kudner, Chicago—Cutter insect repellent—Kirk R. Borland, senior partner; Thomas Keith, acct super.

BIOTECHNOLOGY GROUP

Karl H. Voepel, corp exec vp

Biotech Products

Marketing Personnel

R.J. McGrath, president
H.C. Stalter, vp-mktg
E.L. Frey, dir-intl
J.C. Bakos, dir-intl mktg (citric/citrates)
N.D. Hupp, dir-intl mktg (enzymes)
F.V. Coglianese, dir-sales
W.G. Allen, dir-sales & tech service (enzymes)
R.G. Clark, mgr-mktg services (nonfood)
D.O. Maylath, mgr-mktg services
W.E. Irwin, dir-applications rsch & tech service (citric/citrates)
A.C. Lauria, mgr-customer services, sales training & adv admin
A.A. Blaze, natl sales mgr
R.G. Clark, mgr-customer service

Advertising Agency

Ash Advertising, Elkhart, Ind.—citric/industrial—J.B. Ash, president.

Marschall Products

Madison, Wis.

Marketing Personnel

V.W. Christensen, president
K.J. Woldt, sales mgr, food & dairy prod
R.A. West, dir-mktg
D.G. Whitehead, sales mgr-agricultural prod
N.J. Wood, mktg mgr
F.N. Robison, dir-intl operations

Advertising Agency

Stephen & Brady, Madison, Wis.—Hugh Brady, ceo; Jack Regel, president; George Whitely, vp; Matt Joyce, pr acct exec.

MILES DIAGNOSTICS

W. Wenninger, corp exec vp, Miles Diagnostics

Ames Division

Marketing Personnel

J.W. Duncan, exec vp-mktg
T.C. Christensen, vp-intl mktg & sales
A. DeBruin, vp-U.S. mktg & sales
J.J. Lavery, dir-U.S. sales
W.C. Rieger, dir-U.S. mktg
J.G. Emgenbroich, mgr-mktg communications

Advertising Agency

Abelson-Taylor, Chicago—clinical/hospital prod—Dale Talor, exec vp; Nick Kaufman, acct super.

Miles Scientific

Marketing Personnel

A.C. Marotti, vp-sales & mktg
F.L. Jaksch, dir-mktg
J.V. Thomas, dir-industrial sales
J.F. Cummiskey, mgr-tech services
C. Pospisil, mgr-mktg communciations
R.M. Koziol, mgr-customer services

Advertising Agencies

Image Design, Gurnee, Ill.—Ray Mohr, president.

Noble Arnold Associates, Chicago—Noble Arnold, president.

MILES PHARMACEUTICALS

Horst Wallrabe, corp exec vp

Pharmaceuticals Division

Marketing Personnel

M. Coffee, vp-mktg & sales
J. Patchen, group prod mgr, anti-infectives
V. English, group prod mgr, cerebro/cardiovasculars

Advertising Agencies

Carrafiello & Diehl Associates, Tarrytown, N.Y.—dermatological line—C. Patrick Mandarano, acct super.

Medicus-Intercon, New York—John Ibelli, acct super.

Hollister-Stier Division

Marketing Personnel

R. Galustian, head, allergy business unit
R. Yvars, dir-mktg & sales
E.T. Hamilton, natl sales mgr
C. Gursky, natl mktg mgr

Advertising Agency

Ad Clinic, Spokane, Wash.—Chuck Anderson, Doug Hurd, principals.

CUTTER GROUP

Berkeley, Cal.

W.F. Schaeffler, corp exec vp

Cutter Biological Division

Marketing Personnel

J.D. Ryan, president
V.H.J. Shalson, vp
W.G. Johnson, vp-sales

Advertising Agencies

Rainoldi/Kerzner & Radcliffe, San Francisco—blood bag line & professional services dept—Jay Kerzner, vp-acct services.

Rolf Werner Rosenthal Inc., New York—Cutter's new exclusive intravenous immune & coagulation prod globulin preparation, immune serum globulin prod—Pearl Weinstock, acct group super; Virginia Otis, acct exec.

Bayvet Division

Marketing Personnel

J.C. DeCesare, vp-genl mgr
F. Koering, vp-mktg
J.C. Clark, dir-sales
L.S. Beatty, adv mgr

Advertising Agencies

Miller-Meester Advertising, Minneapolis—reproductive hormones—Rick Cooper, acct exec.

Richardson, Myers & Donofrio, Baltimore—small animal prod—Cy Haladay, acct exec.

MOBAY CHEMICAL CORP.

Pittsburgh, Pa.

Marketing Personnel

Dick Donti, dir adv
Walter Becker, dir mktg, polyurephanes

Advertising Agency

Valentine-Radford Inc., Kansas City, Mo.—Phil Schroeder, acct exec.

HELENA CHEMICAL CO.

Memphis, Tenn.

Marketing Personnel

Bobby Pace, sales mgr
Milton Allen, southern div mgr

Advertising Agency

Cochran, Sandord, Jones, Memphis—Buz Price, senior vp; Carla Beasley, acct exec.

HAARMANN & REIMER CORP.

Springfield, N.J.

Marketing Personnel

James Reimolds, dir mktg, flavor group
Thomas K. Yamashita, vp-genl mgr, aroma/chemical group
Bob Higgins, dir-sales & mktg, fragrance group
Jerry Murnanen, genl sales mgr, flavor group

Advertising Agency

Peabody Corners Inc., Hillsdale, N.Y.—Helga Buettner, acct exec.

AGFA-GEVAERT

Teterboro, N.J.

Marketing Personnel

Robert A.M. Coppenrath, president
J. Verbraeken, vp, treasurer
J. Stolt, vp-genl mgr, graphics systems
Rose Marie Monaco, natl adv & sales promo mgr
Diane J. Cielo, adv mgr & sales promo mgr
Hans Kuhlmann, genl mgr, consumer prod div

Advertising Agency

Wegman Associates, Wayne, N.J.—corp—John Gallagher, acct exec; Beverly Warsaw, asst acct exec.

Kalmar Advertising, Fort Lee, N.J.—consumer prod—Frank Yodice, acct exec.

COMPUGRAPHIC CORP.
Wilmington, Mass.
Marketing Personnel
Celina DiRago, adv coord
Ken Newton, dir mktg
Advertising Agency
CG Graphics, (in-house), Wilmington, Mass—Celina DiRago.

RANK **4**

Beatrice Cos.

Chicago

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Sales	12,595	9,327	35.0
Net income	479	433	10.6
U.S.			
Sales	9,832	7,720	35.2
Operating profits	701	655	7.0
Advertising	680	591	15.1
Division sales			
U.S. Foods	6,270	4,095	53.1
Consumer prods.	1,953	948	106.0
Int'l food	1,852	1,732	6.9
Avis/other	821	28	283.3

Beatrice Cos., Chicago, the 4th largest national advertiser with an estimated $680 million total expenditures, is experiencing a kind of corporate midlife crisis: It has changed its name, reorganized its structure, made a new business marriage, divorced itself from others and changed its leader. And all the while it continues making money.

Total revenue for 1984 was $12.6 billion, up 35% from 1983. For the first quarter of fiscal 1985, ended May 31, 1985, the percentage jump was even greater, up 39%, to $3.1 billion, compared with the corresponding period in 1984. Year-earlier figures except for part of the last two quarters do not include financial results of Esmark, acquired in August, 1984.

Net earnings for 1984 rose 10.6%, to $479 million. Earnings for the 1985 first quarter are down 19.5%, dropping to $58 million compared with the first quarter of 1984. Beatrice ascribes the loss to interest expenses and cost amortization in the 1984 acquisition of Esmark.

In its new organization, Beatrice places great stress on advertising, which has not always been the case: Analysts say Beatrice spent 30 years trying to keep a low profile, lagged behind food competitors in advertising spending, historically focused on production rather than marketing and followed a strategy of decentralization.

Beatrice's mission began to change with the administration of Wallace G. Rasmussen and his successor, James L. Dutt, who became chairman-ceo in 1979. The goal of marketing strategy under Mr. Dutt has been to make Beatrice the world's premier marketer of food and consumer goods.

Mr. Dutt brought centralized control to Beatrice. And although he resigned Aug. 3, 1985, over differences with the board about execution of the new marketing program, it is said the original goals continue to guide the company.

Beatrice for years has needed a national distribution system. Although it is a huge company, most of its brands acquired over the years continued to be regional and were channeled to the market through individual food brokers. The company needed to divest some of its units because they were unprofitable, did not match corporate plans or were not practicable because of heavy competition. Greater national distribution presence came with the Esmark purchase in 1984.

Amid rumors early in 1984 that Beatrice might be the subject of a takeover attempt by Nestle, Esmark or Unilever, Beatrice turned the cards and bought Esmark for about $2.8 billion in August, 1984, merging Esmark into Beatrice. With that marriage, Beatrice got Esmark's distribution system and its range of recognized national brands, Swift meats and Hunt-Wesson tomato products and oils.

Beginning in 1979, and continuing until 1984, Beatrice divested more than 50 companies. The process continues to reduce the $4 billion debt rung up by the Esmark merger and to winnow out the companies that did not fit the food and consumer goods mode that is the new Beatrice. Sold have been whole categories of Beatrice companies in specialty apparel, graphic arts, agri-products, cryogenic equipment, foodservice equipment, leather operations, cookie and bread baking, and chemicals. Proceeds totaled more than $1.4 billion, and the debt has been cut by about $1.3 billion.

Commitment to advertising as the great marketing motivator apparently has never been greater at Beatrice. Beginning Sept. 10, 1983, in a giant $30 million Beatrice corporate identity program, the conglomerate unfurled its red Beatrice stripe logo across a heavy booking of new advertising with the message, "We're Beatrice. You've known us all along." HCM, Chicago, is the agency.

Also, saying that advertising on tv cost too much and was down in impact about 10%, auto-racing aficionado Mr. Dutt arranged for Beatrice to sponsor in 1984-1985 a U.S. and Formula I International auto racing team co-owned by actor Paul Newman and Chicago businessman Carl A. Haas. Cost: $70 million.

With advertising expenditures totaling $680 million in 1984, Beatrice ad spending reached 5.4% of its total 1984 revenue, on a par with other consumer food leaders.

Results of these 1984 Beatrice efforts to energize distribution for competitive combat and field a synapses-snapping advertising message are being reviewed. "Even with Dutt gone, he left a legacy with Beatrice—a lot of marketing effort to raise its profile in the grocery store," says Ronald Strauss, securities analyst with William Blair & Co., Chicago.

Beatrice has stated that through its merger with Esmark—which has a 500-member Hunt-Wesson nationwide distribution system—its goal has been to place a Beatrice product on every supermarket aisle. In the process, Beatrice hopes the Beatrice logo on quality brands—Tropicana, Hunt's, La Choy, Swift—will be transferable to regional and newly introduced brands.

By December, 1984, the first Beatrice product line, La Choy Chinese food, was going into the Hunt-Wesson channel, and following later were three Beatrice regionals: Fisher Nuts, Sanna's Swiss-Miss chocolate-mix products and Rosarita Mexican foods.

The merged company has many leading brands to offer, among them Tropicana juices, leading brand in the $1.5 billion ready-to-serve orange juice market; Peter Pan peanut butter, third among peanut butters with a 14% share; Hunt's All Natural barbecue sauce, with second-highest market share; La Choy Chinese foods, the canned Chinese food market leader, and Hunt-Wesson's Orville Redenbacher Popping Corn, Hunt's Manwich sauce and Hunt's tomato products, all No. 1 in their markets. "In the next two years, the Beatrice grocery companies with their new national distribution system will be Beatrice's great strength," says Laurie Lively, Oppenheimer & Co., New York.

Both Beatrice and Esmark also have many strong nongrocery lines. Beatrice includes Culligan water treatment, Samsonite luggage and furniture, Stiffel Lamps and Rusty Jones rust preventive, while Esmark has Playtex women's intimate wear, Avis car rental, Jensen audio and Danskin sports garments. No divestitures have hit these areas, although some consumer product companies have been sold, including Buckingham Corp. in October, 1984 (Cutty Sark scotch, Finlandia vodka), Shedd's Spread margarine and ButterMatch margarine-butter blend in January, 1985, and STP car-care products in April, 1985.

Analyst Mr. Strauss believes that although grocery line products are not likely to be sold, "there will be some added divestitures. There's a lot of conjecture in the field about, say, Avis or Playtex or Samsonite." Avis is still No. 2 behind Hertz' market share of 33%. Avis' share has dropped from a high of 29% in 1975 to 24% in 1985. Samsonite is a market leader, but its earnings fell in 1984 because selling prices could not stay ahead of sales/marketing costs. The International Playtex line also is highly profitable. It includes women's intimate wear, tampons and rubber personal-use products plus Givenchy hosiery, Jhirmack haircare products, Almay and Max Factor cosmetics, and the Halston/Orlane fragrance and skincare line.

Given the wide swath of Beatrice products, it is understandable that the audience and the players in the Beatrice identity ad campaign have given it mixed reviews. Beatrice's umbrella campaign "was viewed on Wall Street as the least-efficient type of advertising —as far as promotional value goes—in promoting earnings," says Ms. Lively of Oppenheimer.

"What they [Beatrice executives] were trying to do was build a franchise, like Nabisco's, but they didn't have the underlying strength, the solid base of a wide range of familiar, well-liked products like Nabisco. This kind of advertising is viewed [in the investment field] as very inefficient and very expensive. Similarly, the racing program seems too costly for the benefits," she adds.

Beatrice counters that there are statistics to prove its success. Says Jeff Rich, Beatrice director of corporate identity, who designed the increasingly familiar stripe logo, "What we're saying with the Beatrice logo . . . is like an old-fashioned Good Housekeeping seal—when you buy a product with this symbol, Beatrice is standing behind it."

The ID program started on tv with the 1984 Winter Olympics aimed at supermarket customers—60% of whom are female—and the supermarket industry. The advertising continued at the Summer Olympics in Los Angeles, and at the conclusion of the summer games, 13% of those in audience recall testing could name Beatrice unaided and 65% aided. Before the winter games, only 1.3% of those tested could name Beatrice unaided, and 19% aided.

The biggest chunk of Beatrice ad spending was on its U.S. food segment, which produced $6.3 billion in revenue for 1984, about half of the Beatrice total and up 53% from 1984. (Esmark is included in the 1984 results though not in the comparable period.) Results were credited to higher demand for soft drinks and bottled water, new product introductions, and higher prices for fruit juice products. Food segment earnings were up 10%, to $372 million in 1984.

U.S. food, with three subgroups—grocery, refrigerated food and beverage —has 57.5% of Beatrice sales (in 1984); consumer products, 18%; international foods, 17%, and Avis/other operations, 7.5%.

Sales of the consumer product segment were up 106% in 1984, to $1.95 billion, because of volume gains and the inclusion of Esmark. Earnings rose to $201 million, up 51%, although there were declines in the Samsonite luggage line and reduced earnings, too, in the International Playtex tampon business because of the product-exchange program responding to consumer concern about toxic shock syndrome.

International food segment sales rose 6.9%, to $1.95 billion in 1984, but earnings fell 4%, to $101 million, because of lower foreign currency exchange rates.

The Avis/other operations segment jumped to $821 million in 1984 from $28 million in 1983, the sharp increase resulting from including Esmark's car rental business in a Beatrice segment that formerly had included many smaller investment operations (since divested).

Viewed by media, Beatrice in 1984 continued making heavy use of run-of-press newspaper space, increasing its spending to $12.3 million, up from $5.7 million in 1983. Its other major print category, magazines, dropped 13.4%, to $43.5 million in 1984. Cable tv increased to nearly $5.1 million from just $90,000 in 1983. Spot tv spending rose 25%, to $57.5 million; network tv was up 14%, to $111.6 million. Spot radio was off considerably, by 44%, to $2.99 million, but network radio ballooned to $3.4 million. Outdoor display in 1984 fell to $438,000 from $4.42 million.

The 1984 Beatrice advertising/promotional total of $680 million is a composite of $293 million for Beatrice and $307 million for Esmark. On a comparable basis, the 1983 six-media measurement compiled by Leading National Advertisers showed significantly higher spending for Esmark—$154.2 million compared with $47.3 million for Beatrice. This was accounted for by Esmark's own advertising-intense brands like Swift meats, but also by the many heavily promoted Hunt-Wesson brands that Esmark acquired in 1982. For 1984, the six-media total for Beatrice, now including the acquired Esmark, was $217 million, up 7% from the 1983 combined total.

Specific 1984 advertising expenditures by product line and brand show efforts by Beatrice to build its marketing muscle by several different techniques: To push regional brands national, as with Culligan water products and County Line cheese; to begin meeting major competition from other big-gun food marketers head-to-head, again, in the case of its cheese lines vs. Kraft; to capitalize on certain specialized products, like Almay hypo-allergenic cosmetics, and to build on existing strong franchises such as Orville Redenbacher Popping Corn, Playtex, Max Factor, Eckrich meats, Fisher Nuts, Swiss-Miss and Tropicana.

Major media ad spending increases for 1984 were made for the Almay cosmetic line, formerly Esmark, climbing to $8.3 million from $1.9 million in 1983. County Line cheese spending swelled to $2.2 million from $453,600 as Beatrice expanded its distribution in stages. In 1984, it went from its original Midwest marketing area to the Southeast; to Texas, where it competed hotly with Kraft (1983 cheese budget—$45 million); to Denver, and then this year, to the east and west coasts. D'Arcy MacManus Masius, Chicago, is the agency.

Beatrice increased the Culligan water treatment systems major media budget to $4.4 million from $1.5 million in 1983. Spending was for a new national network tv campaign out of HCM, Chicago, that promotes Culligan's Aqua Clear home drinking water filtration system under the themes "the future calls for Culligan." Culligan formerly advertised regionally, in hard-water areas, where its water softening and purifying products were most in demand.

Other sizable ad spending increases for 1984 include: Orville Redenbacher Popping Corn brands, up 44% to $10.2 million; Swiss-Miss chocolate drink mixes, up 42% to $11.5 million; Eckrich meats, up 161% to $8.9 million; and Fisher Nuts, boosted 106% to $5.4 million.

Also increased were Tropicana frozen and ready-to-serve fruit juices, up 37% to $12.3 million; Max Factor cosmetics, a former Esmark line, rose 36% to $9.6 million, and the two Playtex lines—the tampons, increased 7%, to $4.2 million, and the intimate wear, up 16% to $15.9 million.

The Jhirmack haircare line was continued at $8.8 million for 1984, about even with 1983, and a number of other brands were decreased, apparently in tradeoffs as the new Beatrice ad machine gets under way. Major media decreases for 1984 included the Danskin line, dropping just shy of $800,000 for 1984 from $4.8 million in 1983; Avis, down 14% to $12.1 million; the Halston line, including fragrances, off 10% to $1.2 million, and clothing, off 14% to $86,700; Jensen audio, down 50% to

Top 25 business/industrial advertisers

		Business pub. ad expenditures ($000)			as % of co.'s
Rank	Advertiser	1984	1983	% chng	1984 ad total
1	International Business Machines	$21,308	$26,993	(21.1)	5.7
2	American Telephone & Telegraph	20,347	30,838	N/A	3.6
3	Hewlett-Packard Co.	13,182	13,316	(1.0)	N/A
4	General Electric	13,076	8,275	58.0	6.5
5	E.I. du Pont de Nemours	11,980	10,145	18.1	13.2
6	General Motors Corp.	11,025	17,947	(38.6)	1.4
7	Texas Instruments	10,713	12,806	(16.3)	N/A
8	American Express Co.	10,342	7,847	31.8	6.0
9	3M Co.	10,321	9,780	5.5	N/A
10	Motorola Inc.	8,701	7,804	11.5	N/A
11	Xerox Corp.	7,575	11,883	(36.3)	5.9
12	Ford Motor Co.	7,432	13,559	(45.2)	1.3
13	RCA Corp.	6,957	5,013	38.8	2.9
14	Honeywell	6,758	10,953	(38.3)	N/A
15	ITT Corp.	6,539	6,841	(4.4)	3.9
16	Eastman Kodak Co.	6,371	7,155	(11.0)	2.1
17	Digital Equipment Corp.	6,251	11,996	(47.9)	N/A
18	Phibro-Salomon	5,896	4,697	25.5	N/A
19	Rockwell International	5,802	5,365	8.1	N/A
20	First Boston	5,595	2,268	146.7	N/A
21	Goldman Sachs & Co.	5,441	4,323	25.9	N/A
22	Allied Corp.	5,303	5,265	0.7	N/A
23	Gould Inc.	5,171	5,650	(8.5)	N/A
24	GTE Corp.	5,063	4,549	11.3	5.6
25	Harris Corp.	5,048	N/A	N/A	N/A

Source: Rome Reports as reported in ***Business Marketing***, a Crain Communications Inc. publication.

$873,000; Hunt products, off 31.6% to $17.7 million; Wesson oils, down 46% to $10 million; La Choy Chinese foods, down 62% to $1.3 million; the Martha White baking mixes line, down 45% to $914,700; Swift meats, down 28% to $11.7 million, and Samsonite luggage and furniture, off by 34% to $2.7 million.

In a time of change at Beatrice Cos., shifts in agencies and personnel continue. Among the agency changes were a shift of the $14 million account for Almay, an International Playtex division, to Saatchi & Saatchi Compton, New York, from Geer, Dubois in New York; a shift of the $15 million Tropicana account to Leo Burnett USA, Chicago, from Benton & Bowles, New York; and—a first for Beatrice—the selection of black-oriented Burrell Advertising, Chicago, to handle U.S. foods segment advertising aimed at black consumers.

At the corporate level, Beatrice has replaced Mr. Dutt as chairman-ceo with a Beatrice retiree, William W. Granger Jr. He started at a Beatrice dairy plant in Norfolk, Va., in 1946, rose through the ranks to become vice-chairman of the Beatrice board, and coordinated the 1984 Beatrice-Esmark merger. As new chairman of the board executive committee, the company has brought back William G. Karnes, 74, former Beatrice chief executive who started to build the many Beatrice companies back in 1952.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	12,340	5,683
Magazines	43,525	50,250
Network cable	5,085	90
Spot tv	57,445	45,955
Network tv	111,591	97,685
Spot radio	2,986	5,259
Network radio	3,345	488
Outdoor	438	4,422
Total measured	236,755	209,751
Total unmeasured	443,245	381,048
Estimated total	680,000	590,799

BEATRICE COS.
2 N. LaSalle St.
Chicago, Ill. 60602
(312) 782-3820

Marketing Personnel

Wiliam W. Granger, chmn

U.S. Food

Harold J. Handley, senior vp-mktg services
J.J. McRobbie, senior vp-sales
Barbara M. Knuckles, vp-dir, mktg rsch
Patrick Kane, dir-adv
Keith Landau, mgr-adv

Consumer Goods

George Montaigne, vp-media services

Advertising Agencies

Ted Bates Advertising, New York—Avis car rental—Rick Bosse, acct super; Pat Janicek, acct exec.

Benton & Bowles, New York—U.S. food segment, new prod—T.S. Burnett Jr., senior vp.

Bozell & Jacobs, Minneapolis—Bonkers, Martha White flour & mixes, Swiss-Miss pudding bars & cocoa—Steve Chase, senior vp, Bonkers; Ron Harvieux, acct super, Martha White flour; Steve Chase, senior vp-mgmt super, Swiss-Miss Pudding bars & cocoa; Steve Gumingo, acct exec.

Leo Burnett USA, Chicago—Berliner & Marx veal, Eckrich processed meats, E.W. Kneip corned beef, Plume de Veau veal, Fisher Nuts, Lowry's snack foods, Samsonite prod, Tropicana prod—Marv Polack, acct super; Rick Brenner, acct super, Berliner & Marx veal, Eckrich processed meats, E.W. Kneip corned beef, Plume de Veau veal; Catherine Galuzza, acct exec, Fisher Nut, Lowrey's snack foods; Ray Pokorny, acct exec, Samsonite prod; Ted Jordan, acct exec, Tropicana prod.

Burrell Advertising, Chicago—Black adv—Charles L. Wembley, senior vp-dir client services; Eugene Morris, senior vp-mgmt super; W. Potter, acct super.

Dailey & Associates, Los Angeles—Hunt's All Natural barbeque sauce, Sunlite oil, Peter Pan peanut butter—Steve Chabre, exec super, Hunt's All Natural barbeque sauce; Brian Morris, exec vp-mgmt super, Peter Pan peanut butter.

D'Arcy MacManus Masius, Chicago—County Line cheese, Pauly cheese, Treasure Cave cheese, Reddi Whip whipped cream—Jeff Guerrant, acct super.

Dawson, Johns & Black, Chicago—Rusty Jones rust preventive—Larry Ateaff, acct super; Bob Kumaki, acct exec.

Grey Advertising, New York—Danskin garments, Swift Brown 'N Serve sausage, Butterball turkey, Sizzlean sausage, ham, bacon; Playtex bras, nurser, tampons; Van Vagenen & Schickhaus franks—Jeff Stein, senior vp-mgmt super; David Rosenberg, vp-mgmt super; Simon Abrahams, acct super.

HBM/Creamer-Albert J. Rosenthal, Chicago—International Jensen Discwasher—Paul Spector, acct super; Jim Campbell, vp.

HCM, Chicago—Meadow Gold dairy prod, Viva milk & cottage cheese, Louis Sherry ice cream, Culligan water treatment, Stiffel lamps, Del Mar & Louver Drape window coverings, Beatrice corp, Beatrice food segment—Tom Sharp, exec vp-mng dir.

Ketchum Advertising, San Francisco—Hunt's Ketchup, Manwich & tomato prod, Orville Redenbacher popping corn & oil, Soup Starter, Stew Starter, Wesson oil—Jeff Manning, senior vp-group dir; Diane Snedaker, senior v-group dir; Lynne Upshaw, senior vp-group dir.

Korey, Kay & Partners, New York—Halston fragrances—Jennifer Johnson, acct exec.

Mandabach & Simms, Chicago—Beatrice cheese foodservice, Beatrice warehouses—Lee Lipman, exec vp.

Rosenfeld, Sirowitz & Lawson (RTC), New York—Jhirmack haircare prod, Round-The-Clock & Givenchy hosiery—Jane Hottenson, acct super; Fay Cohen, acct exec.

Saatchi & Saatchi Compton, New York—Almay cosmetics—Linda Joselow, acct super; Andy Lockard, acct exec.

Stern Walters/Earle Ludgin Inc., Chicago—International Entrees—Charlie Featherstone, acct super; Scott Shiav, senior vp-mgmt rep.

J. Walter Thompson USA, Chicago—Aunt Nellie's canned vegetables, Beatrice International food segment, La Choy canned, frozen entrees & soy sauce, Rosarita canned & frozen foods—Dick McCullough, senior vp. Los Angeles—Arrowhead, Great Bear & Ozarka bottled water—Mark Lehman, acct super.

Wells, Rich, Greene, New York—Max Factor cosmetics—Bill McGivney, acct super; Linda Baron, acct exec.

Beecham Group p.l.c.

RANK 58

Brentford, Middlesex, U.K.

($ figures – 000,000)

	1985	1984	% chg
Worldwide			
Sales	2,839	2,473	14.8
Net income	380	332	14.3
U.S.			
Sales	1,024	752	36.1
Operating profits	127	91	39.2
Advertising	137	135	1.8
Division sales			
Pharmaceuticals	817	686	19.1
Consumer prods.	2,022	1,725	17.2

Beecham Group p.l.c., a British pharmaceutical and consumer products company, spent an estimated $137 million on U.S. advertising in 1984, a 1.8% increase over 1983, making it the 58th largest national advertiser.

The U.S. operations of Beecham include Beecham Products Division, Beecham Cosmetics, Beecham Home Improvement Products, Beecham Laboratories Division and the newly acquired Germaine Monteil Cosmetiques.

For Beecham Group's fiscal year ended March 31, 1985, the company reported worldwide sales of $2.84 billion, up 14.8% from the previous fiscal year. The company's worldwide sales increased by 17% when calculated in British pound sterling. Western Hemisphere operations account for $1.02 billion, or 34.5% of the company's total sales volume. Beecham does not make a separate accounting for U.S. sales figures.

Beecham U.S. operations spent $92 million on advertising in nine measured media, up 1.2% from 1983. Of that total, $78.5 million was spent on network tv. The estimated $43 million in unmeasured advertising included co-op, free sampling, sports sponsorship and direct mail.

Beecham Products division, the biggest ad spender of the group's U.S. divisions, continued to heavily advertise its Aqua-fresh toothpaste, spending $22.9 million in the six media measured by Leading National Advertisers, off 6% from 1983. Aqua-fresh, which introduced a pump dispenser with a clear plastic collar in early 1985, holds an 11% market share in the $1 billion dentifrice market, as compared with Crest at 34%, Colgate at 32%, Aim at 10%, Closeup at 7% and Pepsodent's 3%.

Spending for Ace combs increased from $248,000 in 1983 to $1.39 million in 1984. The bulk of this spending—$1.19 million—was for network tv. Fruit-Fresh preservatives, up 158% to $2.09 million, was another product with a major advertising increase, while N'Ice sugarless lozenges' 1984 ad spending fell 65% to $2.2 million in measured media.

Advertising for Calgon bath products also slipped 27.5% to $7.9 million in 1984. Spending for Cling Free fabric softener increased 27.8% to $6.9 million, Geritol in liquid and tablet form increased 17.5% to $9.4 million; Massengil disposable douche increased 12.5% to $8.1 million; Sucrets lozenges for adults and children received $4.8 million, equal to 1983 spending; Sominex received $4.3 million, the same as in 1983.

Sominex is doing battle against Block Drug's Nytol, which received $3.3 million in measured spending in 1984, up 65% over spending levels in 1983. Also going into 1984, the company discontinued Sculptura by Jovan and Star Wars children's bath toiletries—products that received only minimal support in 1983.

During 1984, Beecham Products joined the move toward split-30-second tv spots (combo spots each 15-seconds for two different brands). Calgon, Aqua Velva and Aqua-fresh brands have used split-30s. Avrett, Free & Ginsberg, New York; Cunningham & Walsh, New York, and Grey Advertising, New York, share Beecham products assignments.

In a transaction begun in late 1984, Beecham Group acquired Germaine Monteil Cosmetiques in January, 1985. The cosmetics and fragrance company was purchased from British American Tobacco (B.A.T.) Industries p.l.c., London, for $105 million.

Germaine Monteil, with operations in Europe and the U.S., is operated as a separate subsidiary within the Beecham Group. However, within the U.S. some products from Chicago-based Beecham Cosmetics and Germaine Monteil's New York operation were to be moved from one to the other to effect a better marketing fit by mid-September, 1985. The move represents the breakup of Beecham's Beaute division.

Diane von Furstenberg and Lancaster lines will be sent to Germaine Monteil, New York, from Beecham Cosmetics in Chicago in exchange for Lentheric and Tuvach fragrance and bath products, two brand lines that will be merged into Chicago's Yardley division. Germaine Monteil is expected to further develop the Diane von Furstenberg and Lancaster businesses through its strong distribution network in department and specialty stores.

Vitabath will remain with Beecham Cosmetics, along with Yardley of London and Jovan. Monteil handles its advertising in-house though Beebe & Sons. In 1984, Beecham Cosmetics consolidated all advertising at Zwiren & Wagner, Chicago. Yardley products had been handled by Bozell & Jacobs, Minneapolis, and Beecham Beaute products by Cunningham & Walsh, Chicago.

In February, 1984, Jovan introduced Whisper of Musk fragrance in a move to solidify its 54% share of the $100 million musk segment of the fragrance market. Coty has a 24% share of the market, with Houbigant holding a 16% market share. A $4 million media campaign promoting the Whisper of Musk introduction was aided by a 31 million-piece sampling program.

The new Yardley of London fragrances, Love Notes perfume for young women and Black Label, a revised scent for men, were introduced in the fall of 1984. Yardley also introduced a kitchen hand soap in pump dispenser in May, 1984.

During the second half of 1985, Lancaster rolled out nationally its Lancaster Immediate Peeling Fresh Complexion Masque, a clarifying skin mask.

Spending on other Yardley and Jovan brands remained at or near 1983 levels, which were relatively modest. All Yardley products pulled only $295,100 in measured spending in 1984 compared with $781,600 in 1983, according to six-media figures of LNA. Jovan measured spending reached $3.8 million in 1984 vs. $1.3 million in 1983, primarily the result of the Whisper of Musk campaign.

Barry E. Shipp, founder of Jovan, in June, 1985, assumed the presidency of Beecham Cosmetics, replacing Richard Meyer, who has left the cosmetics industry.

Allan Mottus, a health and beauty products industry consultant and publisher of "The Informationist" newsletter, predicts the Germaine Monteil acquisition will present a challenge for Beecham. "Monteil has had trouble attracting younger women to its counter," he says. Mr. Mottus estimated Beecham Cosmetics sales volume at about $150 million in 1984. The newly reorganized Germaine Monteil, with the addition of Diane Von Furstenberg and Lancaster lines, will have about $50 million in sales volume.

With the purchase of DAP Inc. in March, 1983, Beecham Group entered the home improvement market. In April, 1984, the company purchased Roberts Consolidated Industries, another maker of adhesives and home improvement products. Sale prices for these transactions were not revealed. The two companies were consolidated in April, 1985, as Beecham Home Improvement Products. Product line includes DAP caulk and seal, Weldwood adhesives, Derusto coatings, Woodlife wood treatments and Permabond superglue.

Upon consolidation, Cunningham & Walsh, New York, was named agency of record for the division. According to a spokesman for Beecham Home Improvement Products, spending has been targeted at $1.8 million for the current year, to be divided among trade publications (20%), newspapers (75%) and direct marketing (5%).

Paced by continued popularity of the prescription drug Amoxil, Beecham Laboratories has had further growth with the introduction of two other prescription antibiotics, Augmenten (November, 1984) and Timentin (May, 1985). The company's veterinary products division increased its visibility by being named official supplier of antibiotics and products to the U.S. Equestrian Team during the 1984 Summer Olympics.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	283	6
Magazines	3,016	3,378
Network cable	38	127
Spot tv	8,887	7,151
Network tv	78,471	78,887
Spot radio	4	27
Network radio	331	411
Farm pubs	1,096	1,001
Total measured	92,045	90,991
Total unmeasured	44,955	43,610
Estimated total	137,000	134,601

BEECHAM GROUP p.l.c.
BEECHAM PRODUCTS DIVISION
Box 1467
Pittsburgh, Pa. 15230
(412) 928-1000

Marketing Personnel

R.A. Snell, vp-mktg
R.F. Creighton, vp-mktg
R.M. Lancaster, vp-sales

Advertising Agencies

Avrett, Free & Ginsberg, New York—Brylcreem, Lectric Shave, Calgon water softener & new prod—Norman Sherman, senior vp-mgmt service dir; Larry Riegel, acct super; E. Bingo Wyer, acct super; Janet Bellin, acct exec.

Cunningham & Walsh, New York—Cling Free, Fruit-Fresh, N'Ice, Sominex 2, Sominex 2 Pain Relief Formula—Rodger D. Groves, senior vp; Joe Levene, vp-mgmt super; Debbie Ludgate, acct super; Charlie MacLachlan, acct exec.

Grey Advertising, New York—Ace Combs, Aqua-Fresh, Aqua Velva after-shave, Calgon bath products, Geritol, Massengill, Sucrets, Vivarin, new prod—Robert Burress, senior vp.

BEECHAM COSMETICS USA
Chicago

Marketing Personnel

Barry E. Shipp, president
Joseph Aramana, exec vp
Peggy Sommerfield, vp-dir creative services

JOVAN INC.

Marketing Personnel

Albert Bistany, senior vp-coo
Don Deegan, senior vp
Susan Harris, Carol Brennan, dirs-mktg

YARDLEY OF LONDON

Marketing Personnel

John Small, senior vp-coo
John Southern, vp-sales
Chris Brosen, dir-mktg
Jan Mangos, dir-mktg

Advertising Agency

Zwiren & Wagner, Chicago—Jovan cosmetics & perfumes, Yardley of London, Hermes fragrances, Lancaster cosmetics, Vitabath, Diane Von Furstenberg cosmetics, Zizanie men's fragrances—Katherine Warner, div team dir; Gayle Sandberg, acct mgr, Jovan; Mary Koelle, team dir, Lancaster cosmetics, Vitabath, Diane Von Furstenberg, Zizanie, Hermes; Alan Karo, team dir, Yardley of London; Bill Furlong, acct mgr.

GERMAINE MONTEIL COSMETIQUES
New York

Marketing Personnel

Steve Rohr, president
Sandi Burrows, vp-mktg & adv
Candace Corlett, mktg dir-treatment
Phyllis La Touche, mktg dir-fragrances
Lisa Karp, mktg dir-color, cosmetics

Advertising Agency

Beebe & Sons, New York—Brook Bern, creative dir.

BEECHAM HOME IMPROVEMENT PRODUCTS
Dayton, O.

Marketing Personnel

N.P. Thelen, vp-mktg
Gary Cannella, dir-mktg, adhesives & coatings

Advertising Agency

Cunningham & Walsh, New York—DAP caulk & seal, Weldwood adhesives, Derusto coatings, Woodlife wood treatments, Permabond super glue—Richard Rapp, vp-acct super.

BEECHAM LABORATORIES DIVISION
Bristol, Tenn.

Marketing Personnel

M.M. Jones, president
T.G. Wood, vp-sales & mktg
Gaston Cowell, veterinarian sales & mktg mgr
Jack Johnson, mktg dir
John Bettel, natl sales mgr
Edward Ruane, vp-hospital sales & sales services

Advertising Agencies

Frank J. Corbett Inc., Chicago—Timentin, Augmentin, Amoxil, Nucofed, Ticar, oral antistaphs, injectable antibodies—Jim Miller, senior vp; Bill Marotti, vp; Mike Buchanan, acct exec.

Charles Tombras Advertising, Knoxville, Tenn.—veterinary pharmaceuticals—John Welsh, acct exec; Guy Seymour, acct exec; Steve Burton, acct exec.

Trunk/Shea, Clifton, N.J.—Tigan, Anexsia-D, Fastin—dePaul R. Trunk, president; Thomas G. Shea, vp.

Bristol-Myers Co.

RANK 31

New York

($ figures – 000,000)

	1984	1983	% chg
Worldwide			
Sales	4,189	3,917	7.0
Net income	472	426	10.8
U.S.			
Sales	3,140	2,880	9.0
Operating profits	580	525	10.8
Advertising	258	242	7.0
Division sales			
Pharmaceutical	1,567	1,535	8.4
Non-prescript. health	1,158	1,039	11.3
Beauty aids	1,021	986	3.5
Household prods.	438	397	10.1

Bristol-Myers during 1984 continued its strategy to place a greater emphasis on its pharmaceutical and nonprescription health products divisions, a ploy to produce better gross margins. In doing so, it spent an estimated $258.4 million in U.S. advertising, a 7% increase over $241.5 million in 1983.

The New York-based company, ranked 31st among the nation's advertisers, spent $257.4 million purely in advertising worldwide in 1984, up from $237.4 million in 1983. The company reports that $486.5 million was spent in product promotion worldwide, up from $414 million in 1983.

During the year, the company improved gross margins despite the marketing shift, which many industry observers say has eroded the company's market share in its traditional segments. In fact, margins edged up from 64.6% in fiscal 1983, to 66.4% in 1984.

Sales for the second quarter ended June 30, 1985, were up only 1.9% to $1.08 billion. Earnings jumped 13.3% to $125.9 million. Unfavorable exchange rate fluctuations reduced total company sales for the quarter by about $37 million, or 4%. U.S. sales improved 4%.

For fiscal 1984, Bristol-Myers reported sales of $4.2 billion, up 7% from 1983. Net earnings improved 15.8% to $472.4 million.

The pharmaceutical and medical products segment, which contributes 38% of sales and 42% of operating profits, registered a 5% increase in sales and 42% boost in operating profits in 1984. Nonprescription health products increased 11% in sales, the greatest sales increase of all segments. The toiletries and beauty aids segment reported a 6% sales increase, and the households products division showed a 10% sales improvement during 1984.

Introductory support for Nuprin, Bristol-Myers' ibuprofen entry, coupled with a high level of spending on new and existing products, increased the percentage of sales for advertising and product promotion expense to 17.8%. That was up from 16.6% of total sales in 1983 and 15.8% in 1982.

In 1984, Bristol-Myers' pinned its hopes on Nuprin. Bristol was able to get into the ibuprofen category, which many thought would garner as much as $400 million of the $1.6 billion analgesic market, early by licensing the brand from Upjohn Co., which sells the product in greater dose forms by prescription under the name Motrin.

But it was a tumultuous year for Nuprin, starting with a lawsuit filed by Johnson & Johnson to halt Nuprin's ad campaign. When advertising finally was launched, consumers were confused by the prescription to over-the-counter conversion message. "One big mistake the ibuprofens made was to assume the public was awaiting these formerly prescription brands," says industry consultant Allan G. Mottus. "For the most part, Americans have been satisfied with their pain relievers." On top of that, Nuprin could use the conversion campaign for only six months, meaning it had to take a new tack in midyear. Nuprin appears to have found a better spot with sympton-specific ads.

With a measured spending budget of almost $20 million (mostly network tv), Nuprin added about $35 million in business to Bristol's product division. Nuprin's addition pushed Bristol's total analgesic sales past $200 million, a 20% increase over 1983. Nuprin, however, did not achieve the share of the market Bristol-Myer had hoped for. Bristol probably is giving it another shot in 1985.

In 1984, Bristol also encountered difficulties trying to inject new life into Datril. Measured media of about $7.2 million could not push Datril past a 1% share of the market. Bristol's other brands, Excedrin (measured media $15.9 million) and Bufferin (measured media $9.7 million), maintained shares of 5.5% and 4.9%, respectively. Competitor Bayer holds 5.7% of the market, while the Advil brand of American Home Products' Whitehall Labs controls a 4.3% share.

Last year, Bristol-Myers sank a great deal of its ad dollars into analgesics. If the measured media dollars devoted to Datril and Nuprin ($27.1 million) are subtracted from total spending, Bristol's spending is actually flat when compared with 1983.

In Bristol's pharmaceutical division, industry analysts are optimistic about the company's new BuSpar, an anti-anxiety drug. BuSpar, according to Robert Benezra, an analyst with Alex, Brown & Sons, Baltimore, is unique in the market because it is not addictive and not a sedative. Mr. Benezra predicts BuSpar could grow into as much as a $300 million brand at maturity in three or four years.

BuSpar will require very little advertising support, analysts say, because 90% of its promotion will be via detail work to doctors and pharmacists.

Toiletries and beauty aids sales hit $1.02 billion in 1984, up from $986.4 million in 1983, but despite the sales increase, Bristol lost some ground in its core business areas. Bristol's Clairol is still the dominant force in hair color, with about 60% of the market, according to Nancy Hall, an analyst at Prudential Bache, New York. But its share did slip a few points in 1984, according to Diana K. Temple of Salomon Brothers, New York.

This year, Bristol is revving up for a hair coloring battle with Cosmair's L'Oreal. L'Oreal will be pitting its new semi-permanent Avantage hair color lotion—backed with a $6 million budget—against Clairol's Loving Care, which received $8.2 million in measured spending in 1984, up 8% from 1983. Loving Care now claims about 11% of the $400 million (manufacturers' dollars) market. Clairol also will stir things up when it takes Ultresse, the first gel hair coloring, national by yearend. Ultresse was test marketed in 1984 on the West Coast with spending at the equivalent annual rate of $10 million.

According to Ms. Temple, Clairol also lost share in hair spray in 1984. Clairol brands sank from a 21% share in 1983, to 19.7% in 1984.

In the $3 billion haircare category, Clairol's share suffered as a marketing battle erupted involving eight major players. Even with the relaunch of Clairol Essence line (a relative of its Herbal Essence brand and Klorane), the company's total share of shampoos was pared from 3.8% last year to 3.3%. In the first quarter of 1985, that share has dropped to 2.8%. In hair conditioning, Clairol brands garner 4.5% of the business, vs. 4.8% in 1983. Clairol extended its Sea Breeze cleanser with a lotion in 1984. Spending behind Sea Breeze totaled $8.5 million.

Ban deodorant, Bristol-Myers' only deodorant line, received measured media spending of $10.1 million. That was not enough to keep the market share for the new, popular sticks from eroding. Ban's share dropped from 9.3% in 1983, to 8.8% in 1984. In 1979, Ban had 16% of the category.

Market share for Bristol's Comtrex, which pioneered the multi-symptom segment of the cough cold business, continued to slip in 1984, to 5%. Spending behind Comtrex dropped 17% to $10.3 million. That is down significantly from the $17 million budget Comtrex enjoyed in 1982.

In Bristol's Drackett division, with sales of $426 million, Bristol introduced O'Cedar No Wax Power Strip sponge mops and Lemon Endust in 1984.

Drackett brands received $28.8 million of measured spending, up 3.6% from 1983.

Management and advertising agency shifts last year at Bristol included the naming of Ronald A. Ahrens as president of Bristol-Myers Products, succeeding Poley H. Disney. Mr. Disney left after two years in the post and almost 20 years with the company.

Bristol split with Kenyon & Eckhardt, assigning many of its accounts to Laurence, Charles & Free. Ally & Gargano, New York, snared Datril, with billings of $13 million, when K&E and Bristol parted ways.

In 1984, Bristol also made its first move into cable program sponsorship with a fitness series called "Alive & Well."

Brewers' bated breath

There has not been an increase in the 65-cent-a-case federal tax on beer since the Korean War, and no one is seriously considering one right now. But the brewers are worried because federal levies on beer and wine are the only "sin taxes" that have not been increased recently. Last year, tax writers raised the federal tax on hard liquor by 19%, effective next Oct. 1. And, in 1981, they doubled the federal excise tax on cigarets, to 16 cents a pack. More recently, bills have been introduced to increase tobacco and hard-liquor taxes even more, to help finance the troubled Medicaid system.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	999	1,380
Magazines	32,624	28,472
Network cable	6,242	6,506
Spot tv	16,996	18,866
Network tv	122,552	120,974
Spot radio	1,809	1,904
Network radio	1,520	1,544
Outdoor	7	0
Farm pubs	290	212
Total measured	183,040	171,858
Total unmeasured	75,400	70,447
Estimated total	258,440	241,505

BRISTOL-MYERS CO.
345 Park Ave.
New York, N.Y. 10154
(212) 546-4000

Corporate Personnel

Marvin Koslow, senior vp-mktg services
Harry Levine, vp-corp communications
Peter J. Spengler, vp-adv services

International Group
Marketing Personnel

Joseph E. Maroun, president
Kenneth E. Weg, president-Europe, Middle East, Africa div
Richard H. Malyan, president-Latin America, Canada div

Advertising Agencies

Robert A. Becker, New York—pharmaceutical—Joel D. Lauber, Edward F. Maitland, Raymond Perry, senior vps; Robert E. Devanna, vp-dir mktg communications; Jacqueline Hunt, vp-media dir.

M.E.D. Communications, Woodbridge, N.J.—Norman Goldberg, vp-mktg; Helene Schwartz, vp-accounting services; Robin Geller, media dir; Dianna Main, pr dir; Mary Lou Spang, acct super.

Products Division
Marketing Personnel

Ronald A. Ahrens, president
Charles E. LaRosa, senior vp-mktg & Sales

Advertising Agencies

Ally & Gargano, New York—Datril-Ed Troncelliti, acct exec.

Doyle, Dane, Bernbach, New York—Excedrin, Tickle, Final Net, Light Effects, Nice 'N Easy, Sea Breeze Line—Rein Luik, exec vp; Lucille Cotugno, senior vp-mgmt super; Jenny Barickman, vp-acct super; John Cannon, acct exec; Michael Perry, asst acct exec.

Grey Advertising, New York—Four-Way, Nuprin, Vitalis, Clairesse, Color Renewal System, Behold, Drano Crystal, Drano line, Windex—Clark Montgomery, exec vp; Herbert Lieberman, senior vp.

Laurence, Charles & Free, New York—Bufferin—Martin Smith, vice chmn; Ann Mahoney, vp-acct super; Porter Blackburn, acct exec. Comtrex—Russ Shaffer, exec vp; Robin Kovel, vp-acct super; Laura Steinman, acct exec. Congesprin—Martin Smith, vice chmn; Robin Kovel, vp-acct super; Laura Steinman, acct exec.

Mendoza, Dillon & Associados, Newport Beach, Cal.—Hispanic adv: Ban Roll-On, Vitalis—Robert Howells, vp-acct services; Martha Julia, acct super.

Siboney Advertising Corp., New York—Hispanic adv: Excedrin—Gary McBride, acct dir; Lynette Guzzino, acct super.

BRISTOL LABORATORIES
Syracuse, N.Y.
Marketing Personnel

Julius L. Pericola, president
Gary P. Gibson, vp-genl mgr
Marvin C. Lemons, vp-sales
Bruce R. Ross, vp-genl mgr, oncology div
Larry W. Zonner, vp-genl mgr, Animal healthcare div

Advertising Agencies

M.E.D. Communications, Woodbridge, N.J.—Norman Goldberg, vp-mktg; Helene Schwartz, vp-accounting services; Robin Geller, media dir; Dianna Main, pr dir; Mary Lou Spang, acct super.

Sieber & McIntyre, Morristown, N.J.—Precef, Stadol—Duane Taylor, acct exec; Cindi Mangal, acct coord.

CLAIROL
Marketing Personnel

C. Benjamin Brooks Jr., president
Gerald C. Beddell, president, consumer prod div
George W. Matson, vp-mktg services
John C. Louise, vp-creative services
William G. Lynch, vp-sales
Michael A. DeGennaro, president, professional prod div
Nancy Flinn, vp-mktg
William H. Ranney, vp-sales
F. Peter Cuneo, exec vp, Clairol appliances
Tom C. Comella, senior vp-sales, Clairol appliances

Advertising Agencies

Calet, Hirsch & Spector, New York—personnel care appliances—Colin Probert, exec vp-acct services; Bette Pazelle, mgmt super; Beth Grossman, acct exec.

Doyle Dane Bernbach, New York—Light Effects, Nice 'N Easy, Sea Breeze line—Milton Harkrader, group senior vp; Maryanne Moore, vp-acct super; Marina Hahn, acct super; Robert Cosinuke, Wendy Urquhart, Patti Willis, acct execs; Vincent Casey, James Breadbeer, Amy Weinberg, asst acct execs.

Foote, Cone & Belding, New York—corp adv, Essence, Final Net, Frost & Tip, Klorane, Loving Care, Miss Clairol, Summer Blonde, Ultress, Condition* BP, Condition* Hot Oil—John Howard, senior vp-group mgmt dir; Nancy Beck, vp-mgmt dir; Denise Plaza, acct dir. Condition* BP, Condition Hot Oil—Steven Morrison, acct exec.

Gleckler & Spiegel Advertising, New York—consumer prod div (new prod); professional prod div (Shimmer Lights, Second Nature, Beautiful Browns, Beautiful Brights, new prod); venture prod group (Born Beautiful, Color Play, Vitapointe)—Gayle Gleckler, chmn-creative dir; Joel R. Spiegel, president; Michael B. Levine, senior vp-dir acct services; Susan Rochlis, vp-acct super.

Grey Advertising, New York—Clark Montgomery, exec vp; Herb Lieberman, senior vp.

DRACKETT
Cincinnati, O.
Marketing Personnel

William F. Flatley, senior vp-sales & mktg
John C. Hassan, vp-mktg

Advertising Agencies

Grey Advertising, New York—Behold, Drano Crystals, Drano line, Windex—Harvi Robinson, mgmt super.

Laurence, Charles & Free, New York—Automatic Vanish, Prepared Vanish, Bowl Brite—Martin Smith, vice chmn; Deborah Anderson, acct super; Warren Leong, asst acct exec. Endust—Al Evans, exec vp; Phil Carroll, acct super. Nutrament—Martin Smith, vice chmn; Richard Goldschmidt, vp-acct super. Renuzit adjustable, Fresh 'N Dry—Russ Shaffer, exec vp; Richard Goldschmidt, vp-acct super; Rick Bradt, asst acct exec. Mr. Muscle—Martin Smith, vice chmn; Tom Keane, acct super.

Wilk/Brichta, Chicago—O-Cedar mops & brooms, Scrubbees, Twinkle, new prod—John Eiffert, senior vp-group acct dir.

MEAD JOHNSON & CO.
Evansville, Ind.
Marketing Personnel

Raymond C. Egan, president
Howard Willson, vp-genl mgr, nutritional div
Donald G. Harris, president, pharmaceutical div

Advertising Agency

Robert A. Becker, New York—pharmaceutical—Joel D. Lauber, Edward F. Maitland, Raymond Perry, senior vps; Robert E. Devanna, vp-dir mktg communications; Jacqueline Hunt, vp-media dir.

PELTON & CRANE
Charlotte, N.C.
Marketing Personnel

Randall J. Wall, president
James W. Perkins, senior vp-mktg

Advertising Agency

D. Myers Advertising, Matthews, N.C.—Darrell Myers, president-acct super

UNITEK
Monrovia, Cal.
Marketing Personnel

Mike Varner, vp-mktg

Advertising Agency

Direct adv.

ZIMMER
Warsaw, Ind.
Marketing Personnel

Thomas H. Hughes, president
Ronald L. Davis, exec vp
Kenneth P. Fallon III, mktg vp

Advertising Agencies

Thomas Ferguson Associates, Parsippany, N.J.—M. Jean Pankow, senior vp-mgmt super; Edward J. Gorzalski, vp-dir mktg rsch & media services; Thomas B. Atkinson, senior vp.

Naimark & Barbra, Cedarknolls, N.J.—patient care div in Charlotte, N.C.—George M. Naimark, president; David Barbra, vp-secretary; Sally Laurin, acct super.

WESTWOOD PHARMACEUTICALS
Buffalo, N.Y.
Marketing Personnel

Wilfred J. Larson, president
Barry L. Burnside, vp-mktg
Joe W. McGarity, vp-sales

Advertising Agencies

Frank J. Corbett Inc., Chicago—Alpha Keri & Keri lotion medical adv, Pre Sun, Staticin/T-Stat, Westcort, Sebulex/Sebucan, Moisturel, corp adv—John P. Burns, senior vp-acct exec.

Laurence, Charles & Free, New York—Fostex, Alpha Keri, Keri Lotion—Al Evans, exec vp; Debbie Hernan, vp-acct super; Cheryl Rego, acct exec.

Apple is getting riper

Apple Computer Co., which has undergone hard times, also entered a new era in 1985 as it parted ways with its two founders, Stephen Wozniac and Steven Jobs, who built Apple into the No. 2 producer in the U.S. Employment had grown to 14,800 before 1985 reductions cut that by 2,200 as part of a reorganizational move. Mr. Wozniac left prior to the reductions. Mr. Jobs, chairman, resigned in mid-September saying under the leadership of president-ceo, John Sculley, he had "no work to do and no access even to regular management reports."

Campbell Soup Co.

RANK 53

Camden, N.J.

($ figures = 000,000)

Worldwide	1985	1984	% chg
Sales	3,989	3,657	9.1
Net income	198	191	3.7
U.S.			
Sales	3,345	3,120	7.2
Operating profits	354	339	4.4
Advertising	142	127	11.6
Division sales			
Campbell U.S.	2,500	2,289	9.2
Pepperidge Farm	426	435	-2.1
Vlasic Foods	199	193	3.1
Mrs. Paul's	138	126	9.5
Other U.S.	81	84	-3.6
International	716	624	14.7

Introduction of new products through reformulation and repositioning, continued aggressive marketing and development of new technology in containers and packaging helped push U.S. advertising spending up an estimated 11.6% to $142 million in 1984 at Campbell Soup Co.

The Camden, N.J., company, ranked the 53rd largest national advertiser, is continuing to develop these same market-building techniques in fiscal 1986 when total ad expenditures are expected to reach $165 million alone for the Campbell U.S. division.

Over-all, the company reported worldwide earnings for the fiscal year ended July 28, 1985, of $197.8 million, up 3.7%, on sales of $3.99 billion, up 9.1% over the prior year.

The company was paced by its Campbell U.S. division, Campbell's largest operating unit, which accounted for $2.5 billion in sales, or 62.7% of consolidated sales, and $292 million in operating income, or 82% of the company total in fiscal 1985. Sales in the division were up 9.2% and operating income, 4.9%, compared with fiscal 1984. Unit volume rose 4% compared with a 9% increase in fiscal 1984. Marketing expenditures were up 14% to $488 million.

As Campbell moved into fiscal 1986, the company's flagship U.S. soup division which accounts for about 25% of the company's consolidated sales—was the focal point of company marketing efforts as it began to roll out nationally a line of new products that fell under the Campbell Quality Soup and Recipe Mix labels.

The line, in test market the past two years, gives Campbell entry into the $430 million dry soup category. In what the company describes as the most aggressive soup introduction in its 116-year history, Campbell will spend an estimated $20 million in the first yearof promoting the six-item line. Print, tv and coupon campaigns are planned. The Quality line features chicken noodle with white meat; noodle soup with real chicken broth; chicken rice with white chicken meat; onion for soup, dips and recipes; onion mushroom for soup, sauce and recipes.

Chunky soups, backed by $5.3 million in ad spending, according to six-media figures monitored by Leading National Advertisers, during fiscal 1985 registered a sales increase, paced by the new Chunky New England clam chowder variety introduced in 1983. Plans to develop, introduce or expand distribution of soup products include dry and refrigerated Home Style soups and frozen varieties of Home Cookin' soups.

Le Menu, with measured media spending totaling $9 million, mainly in tv and print campaigns for the national introduction of Le Menu frozen dinners, completed its first year of full distribution with sales of $150 million. Le Menu introduced five new dinners in 1985, bringing the total number of varieties to 17. Sales for the frozen foods business unit increased 43% in fiscal 1984 ending July 29, 1984. Campbell had not released intradivisional sales by this writing.

Swanson's basic frozen dinner business, with a 55% market share, continued the positive momentum in 1984 that resulted from the previous year's product quality improvement program. The traditional frozen dinner varieties, backed by $11 million in measured media spending, rose 6% in units sold in fiscal 1984. In calendar 1985, Swanson entered test markets with its dinners in table-ready trays suitable for use in either microwave or conventional ovens. Swanson plans to roll out its new packaging across the rest of the country by the end of the year.

The repositioning of the Swanson breakfast line under the Great Starts name, backed by $1.3 million in media spending, doubled the brand's growth during the past year as the product line moved toward national distribution. The line features two new varieties: Cinnamon swirl french toast with sausages, and pancakes and strawberries in sauce.

Prego spaghetti sauce, backed by $12.1 million in tv and print campaigns, went national in 1984 with Prego Plus, a premium spaghetti sauce containing large chunks of meat and slices of vegetables. Prego Plus comes in three varieties: Italian sausage and green pepper chunks, veal and sliced mushrooms, and sliced mushrooms and chunk tomatoes.

Prego has built a 25% market share against Ragu's 50% share in the four years Prego has been on the market. Before Prego's entry into this category, Ragu dominated with $19.3 million in measured media spending, predominantly in tv, radio and magazine campaigns.

Among the Franco-American and Campbell's beans lines, a new product, Superiore canned ravioli, was introduced regionally in print and tv advertising, including couponing. The introduction came near the end of fiscal 1984. The grocery unit entered fiscal 1985 after recording an increase of 14% over fiscal 1983.

The new fruit juice segment of the beverage business unit, created in 1982 with the acquisition of Juice Bowl—said to be the largest producer and supplier of citrus juices to the airlines—provided 22% of the total volume growth. This was in part because of the introduction among grocery retailers in Milwaukee and Chicago of its six-item, 100% pure fruit juice line. Advertising spending totaled $2.3 million in tv advertising.

The JuiceWorks line of 100% pure, natural fruit juices aimed at the children's market expanded into the East and the Midwest in August, 1984, powered by a $10 million campaign in tv and coupons. Themed "Kids are really asking for it," the campaign featured pajama-clad children talking about how much they like JuiceWorks, how it tastes all-natural.

The tomato-based segment, made up of V-8 juice, Campbell's brand of tomato juice and its line extensions, made a good showing within the declining category. In fiscal 1984, V-8 maintained its 50% share of the market. Measured media spending totaled $10.7 million on tv advertising.

The company was able to expand distribution for Campbell's Farm Fresh mushrooms created by the new mushroom-growing facility in Georgia. This led to a 7% sales increase for the Campbell's fresh produce division in fiscal 1984. Sales of the division have not been released in 1985. A similar facility is planned for Hillsboro, Tex.

Fresh tomatoes bearing the Pepperidge Farm and Farm Fresh labels also were marketed for the first time in 1984 in the Northeast and the Midwest.

The pet foods business unit, which markets Recipe canned dog food, Recipe Treats and Dinner Rounds, reported flat results much in line with the general state of the market in 1984. During that fiscal year, the unit showed a 4% increase in sales and a decline in operating earnings and unit volume.

Domsea Farms, Bremerton, Wash., which produces and markets fresh and frozen plate-size salmon, started shipment of fresh salmon to upscale restaurants and supermarkets in large eastern cities in fiscal 1984 when sales increased 90%. That expansion was continued into the 1985 fiscal year for the company, said to be the largest coho aquaculture company in North America.

Near the end of fiscal 1984, Campbell acquired Puerto Rico-based Casera Foods, producer of a line of beans, tomato sauce, olive oil and other canned products that compete in the growing U.S. market for Puerto Rican foods. Casera's preacquisition sales were about $50 million in 1984.

Campbell's Pepperidge Farm subsidiary, the company's second largest, reported fiscal 1985 sales of $426.4 million, down 2.1% from fiscal 1984, and operating income of $38.5 million, up 10.6%. Connecticut-based Pepperidge, which accounts for 10.7% of the company's consolidated sales, in fiscal 1984 had recorded a sales gain of less than 1% over the previous year.

In an attempt to create a secure base for future growth, two new cookie production lines at the Willard, O., plant and the construction of two cookie lines at the Downingtown, Pa., facility are in the works. Pepperidge also divested itself in 1984 of Lexington Gardens, a garden center chain, and several other small operations.

A Dijon rye bread and a new polybag packaging, which was developed for the rye bread line to add shelf life, were introduced in 1984 in selected regions. A line of all-butter croissants also was introduced. Pepperidge Farm also rolled out Dijon frankfurter rolls and buns in August, 1984.

A new "distinctive cracker," toasted wheat with onion, completed a national rollout and the Special Collection cookies added "milk chocolate macadamia" to the line.

Pepperidge Farm subsidiary Godiva Chocolatier introduced a line of Petite Truffles during the past year and began offering an assortment box of Grande Truffles. In addition, the New York-based company introduced Grande Truffles a la Menthe to the line. Other new products include a line of Godiva chocolate bars, featuring filled, plain and nut flavors, and Nut Delice, a chocolate bar with nuts.

Campbell's third largest division, Vlasic Foods subsidiary, maintained its position in the retail pickle category as the market leader with a 31% unit share. Sales for fiscal 1985 rose to $198.6 million, a 3.1% increase over the previous year. Operating earnings rose 10.6% to $15.7 million.

With an improved product line and packaging, Bloomfield, Mich.-based Vlasic continues to spend more than 80% of its consumer advertising dollars in the pickle category. Measured media spending for 1984 totaled $7.2 million, mostly from tv and print campaigns.

Three line extensions—Bread & Butter Chunks, Half the Salt pickles and Deli dills—contributed to Vlasic's growth. Late in fiscal 1984, Vlasic introduced new labels that use color bands and a flavor rating scale to help consumers find their favorite tastes quickly on the grocery shelf.

Mrs. Paul's Kitchens subsidiary strengthened its position as the leading marketer of frozen seafood with a 22% share of the frozen prepared seafood market. Mrs. Paul's introduced nationally in 1984 a seven-item entree line under the Light Seafood Entrees banner. Tv and print campaigns in magazines and newspapers, coupons and retail trade promotions stressed the theme, "It tastes good because it is good," for measured media spending totaling $2.2 million.

In fiscal 1985, Philadelphia, Pa.-based Mrs. Paul's sales represented more than 3% of Campbell's total business. Sales reached $138.4 million, up 9.5%. Operating earnings decreased to $14 million, down 21%.

Responding to consumer preferences for convenience seafood products, it strengthened its dominance in the frozen seafood category with Mrs. Paul's Light & Natural fillets in 1983. The improved Mrs. Paul's Crispier Crunchier fillets and sticks were major contributors to the improved sales and earnings performance.

Market testing for Light Seafood Entrees, establishing Mrs. Paul's Kitchens as a producer of upscale, convenient, nutritious, low-calorie, microwavable frozen seafood items, began in early fiscal 1985. The new product line features entrees: Fish Dijon, Fish Florentine, Scallops Mediterranean, Shrimp Oriental, Shrimp Primavera, Seafood Newburg and Fish Mornay.

In 1984, Campbell's continued its strategy to acquire businesses that either give it entries into other markets or build its product positions. In May, 1984, it acquired Mendelson-Zeller Co., a San Francisco-based international distributor of fresh produce. The acquisition enables the international divisions to offer consumers fruit and vegetables with the Campbell brand as well as the opportunity to expand produce sources. In July, 1984, Campbell also acquired D. Lazzaroni, an Italian manufacturer of cookies including the well-known Amaretti di Saronno variety and Biscuits Delacre.

Triangle Mfg. Corp., acquired in 1983, suffered an operating loss in its first full year as a Campbell business in fiscal 1984. It tripled its sales in fiscal 1985, but still reported a net loss due to marketing costs.

The Raleigh, N.C.-based manufacturer of physical fitness and sports medicine equipment diversified its distribution to include mass merchants, department stores, sporting good outlets and drugstores. Its major U.S. retail chains are Sears, Roebuck & Co., J.C. Penney Co. and Montgomery Ward & Co.

The company produces The Band wrist and ankle weights. New products include Triangle Softbells equipment products for the home, sports medicine products and home and healthcare products during the remainder of 1985.

No measured advertising was monitored for the Campbell business.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	5,401	4,641
Magazines	14,487	12,413
Network cable	1,789	1,203
Spot tv	27,333	21,510
Network tv	68,624	63,058
Spot radio	1,450	3,607
Network radio	4,371	7,429
Outdoor	62	71
Total measured	123,516	113,932
Total unmeasured	18,484	13,271
Estimated total	142,000	127,203

CAMPBELL SOUP CO.
Campbell Place
Camden, N.J. 08101
(609) 342-4800

U.S. Marketing
Marketing Personnel

H.M. Baum, vp-mktg
Zoe Coulson, vp-consumer services
A.J. Adams, dir-mktg rsch
D.F. Macaulay, dir-design
G.D. Mahrlig, dir-media services
W.C. Culp II, dir-special projects
P.N. Mulcahy, mng dir-CSC Advertising Inc.
H. Pierce Pelouze III, corp dir-promo, CSC Advertising Inc.

Soup Division
Marketing Personnel

D.L. Santangelo, group genl mgr-soups
L.A. Carpenter, senior mktg mgr, condensed
R.L. Steenrod, mktg mgr, condensed
L.A. Lynn, assoc mktg mgr, condensed
D.E. Bair, mktg mgr, adv programs
D.E. Goerke, mktg dir, ready to serve
T. Cruikshank, mktg mgr
S. Cameron, mktg mgr

Advertising Agencies

Backer & Spielvogel, New York—red & white label condensed soups—Robert Holmen, exec vp-ceo; Joseph Prior, senior vp-mgmt super; Allan Stone, vp-acct dir; Charles Nemetz, acct super.

BBDO, New York—Chunky soup, Home Cookin—Richard Swanson, mgmt super; Robert McGreevy, acct super.

Conill Advertising, New York—Hispanic adv—Rafael Conill, president; Alicia Conill, exec vp.

Dry Foods
Marketing Personnel

P.P. Masarachbio, genl mgr
P.N. Cominskey, mktg dir
C.E. Battista, mktg mgr

Grocery
Marketing Personnel

J.P. Horn, genl mgr
Kathleen MacDonnell, Arthur Ferrara, John Haring, mktg mgrs
William McLaughlin, Kevin Smith, Mario Alfano, assoc mgrs

Advertising Agencies

Conill Advertising, New York—Hispanic adv—Rafael Conill, president; Alicia Conill, exec vp.

Leber Katz Partners, New York—Prego, Prego Plus, new prod—Jon Adams, president; Maureen Sage, vp-acct super.

Needham Harper Worldwide, New York—Franco American pasta; Campbell's bean prod, Swanson chunk chicken, Casa Bravo, Fresh Chef, new prod—Philip Wallace, senior vp-acct group dir; Richard Murray, senior vp-mgmt rep.

Beverages
Marketing Personnel

Gary L. Hess, genl mgr
Terry W. Simmers, president, Juice Bowl
Phil M. Baehr, mktg dir, Juice Bowl
C. Kevin Price, mktg dir, vegetable juices, JuiceWorks
Patti Goodman, mktg mgr, JuiceWorks
Avis J. Yuni, mktg mgr, red juices
Patricia M. McHale, asst mktg mgr

Advertising Agencies

Backer & Spielvogel, New York—V-8 juice, Juice Works, new prod—Robert Holmein, exec vp-coo; J. Keller, mgmt super; Jeff Andrews, acct dir.

Conill Advertising, New York—Hispanic adv—Rafael Conill, president; Alicia Conill, exec vp.

Leber Katz Partners—Juice Bowl, new prod—Jon Adams, president; Laurel Cutler, vice chmn; Carol Haas, senior vp.

Frozen Foods
Marketing Personnel

S.A. McNeil, group genl mgr
R.F. Bernstock, dir mktg
Tom Noto, mktg dir
D.E. Lynn, George Loesch, A.D. Van Beuren, Sharon Trainor-Smith, Joanna Slocum, Jill Skaler, R.M. Revelle, mktg mgrs
Beth Baldwin, asst mktg mgr

Advertising Agencies

Ogilvy & Mather, New York—Le Menu, Great Starts breakfasts, new prod—Norman Berry, president, N.Y. offices; Cliff Angers, senior vp-acct group dir; Stephanie Becker, David Mechlin, vps-mgmt super; Phil Juliano, vp-acct super; Sally Luce, acct super.

Ogilvy & Mather, San Francisco—Swanson dinners, entrees, meat pies—Ira Zuckerman, senior vp-mgmt super; Patricia Hader, vp-acct super; Margaret Lane, acct exec.

Fresh Foods
Marketing Personnel

Kirk Leighton, group genl mgr
M. Buchaiski, genl mgr, refrigerated foods
F. George, genl mgr, fresh produce
B. Horlbeck, mktg dir, refrigerated foods

Foodservice
Marketing Personnel

A.N. Calabrese, genl mgr
G.W. Thompson, dir-mktg

Advertising Agencies

Conill Advertising Associates, New York—Spanish-speaking market—Rafael Conill, president, Alicia Conill, exec vp.

Lewis & Gilman, Philadelphia—R.G. Wilder, president; T.P. Ferguson, vp-acct super.

Pet Foods
Marketing Personnel

S.M. Regan, genl mgr
Janet Dagrossa, mktg mgr

Advertising Agency

CSC Advertising (in-house)—P.N. Mulcahy, mng dir.

Restaurant Division
Marketing Personnel

John Scales, president

Advertising Agency

The Art Department, Eiral, N.J.—Norm Schmidt, acct super.

PEPPERIDGE FARM
Norwalk, Conn.
Marketing Personnel

R.A. Shea, president
E.W. Sweeney, vp-bakery
B. Falck, vp-mktg & genl mgr, biscuits
J. Tierney, vp-corp relations
P. Callaghan, dir mktg, bakery
C. Rydin, genl mgr, frozen
B. Hastings, dir mktg, rsch

Advertising Agency

Ogilvy & Mather, New York—Graham Phillips, exec vp-genl mgr; S. McGavin, vp-mgmt super.

VLASIC
Bloomfield, Mich.
Marketing Personnel

J.R. Scales, president
T.L. Bitterman, vp-sales, mktg

Advertising Agency

W.B. Doner & Co., Southfield, Mich.—Richard Friday, vp-mgmt super; Trish Doyle, senior acct exec; Fred Dial, acct exec.

MRS. PAUL'S KITCHENS
Philadelphia, Pa.
Marketing Personnel

R.J. Baker, president

Top 25 spot tv advertisers

Rank	Advertiser	Spot tv ad expenditures ($000) 1984	1983	% chng	as % of co.'s 1984 ad total
1	Procter & Gamble Co.	$239,331	$229,245	4.4	27.4
2	PepsiCo Inc.	154,287	121,847	26.6	36.0
3	General Mills	109,253	112,982	(3.3)	38.6
4	Pillsbury Co.	99,106	60,781	63.1	31.1
5	General Foods Corp.	96,869	73,020	32.7	21.5
6	McDonald's Corp.	91,454	105,025	(12.9)	19.1
7	Coca-Cola Co.	64,976	70,673	(8.1)	18.9
8	Anheuser-Busch C[illegible]	60,070	59,370	1.2	16.5
9	Unilever U.S.	59,122	55,789	6.0	14.9
10	Toyota Motor Sales Co.	58,377	47,506	22.9	42.3
11	Beatrice Cos.	57,445	45,955	25.0	8.4
12	Dart & Kraft	53,742	42,525	26.4	20.0
13	R.J. Reynolds Industries	47,611	39,642	20.1	7.0
14	Nestle Enterprises	47,130	32,793	43.7	25.2
15	Philip Morris Inc.	46,589	50,462	(7.7)	8.2
16	Mars Inc.	44,201	44,333	(0.3)	31.7
17	Hasbro Inc.	42,953	32,474	32.3	51.3
18	Nissan Motor Corp.	40,919	37,724	8.5	24.9
19	Kellogg Co.	40,641	34,130	19.1	19.5
20	Warner-Lambert Co.	40,569	39,439	2.9	9.2
21	Ford Motor Co.	39,500	37,857	4.3	7.1
22	Wendy's International	39,354	31,224	26.0	43.3
23	General Motors Corp.	38,520	25,678	50.0	5.0
24	Ralston Purina Co.	35,208	35,745	(1.5)	8.2
25	Sears, Roebuck & Co.	33,552	29,316	14.5	4.5

Source: Broadcast Advertisers Reports as supplied to Leading National Advertisers Inc.

G.W. Piszek, senior vp-sales & mktg
T.F. Cohen, senior dir-mktg
R.W. Johnson, mktg mgr
W.A. Whiteside III, mktg mgr

Advertising Agency

Needham Harper Worldwide, New York—Leo J. Mamorsky, vp-senior acct super; Larry Jones, acct exec; Karen D. Couzens, acct exec.

TRIANGLE MFG. CORP.
Raleigh, N.C.
Marketing Personnel

J.W. Post, president-genl mgr
F.A. Dudowicz, vp-mktg
R.G. Scales, vp-sales
N.F. Loscalzo, vp-operations
J.A. Beetle, dir, r&d
E.M. Nesterick, mktg mgr, Fitness prod
C.J. Coughlan, mktg mgr, sports medicine
R.E. Carlson, mktg mgr, supportive incentive programs
E.R. Stahl, dir natl accts
K. Perry, asst mktg mgr, fitness accessories

Advertising Agency

Richardson, Myers & Donofrio, Philadelphia—Mike Erickson, acct exec.

DOMSEA FARMS
Bremerton, Wash.
Marketing Personnel

R.A. Earle, genl mgr
C.M. Monaghan, mktg dir
C.F. Bechtel, natl sales mgr

Advertising Agency

CSC Advertising (in-house)—P.N. Mulcahy, mng dir.

Canon Inc.

RANK 76

Lake Success, N.Y.

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Sales	3,306	2,619	26.3
Net income	140	113	23.8
U.S.			
Sales	1,260	893	34.9
Operating profits	N/A	N/A	N/A
Advertising	100	80	25.0

Canon U.S.A., Lake Success, N.Y., a division of Tokyo-based Canon Inc., is the 76th largest advertiser with total estimated advertising expenditures of $100 million in 1984, up 25% from a restated $80 million in 1983.

The company, focusing on restimulating sales in the sluggish 35mm single lens reflex camera market while maintaining a leadership position in the business machines market, increased spending in all but one area of measured media.

The largest spending levels were in magazines, a 47% increase to nearly $24 million; a 26% increase in network tv to $33.2 million, and network radio, where spending increased 40% to $2.1 million. The only area where spending was reduced was in outdoor, down 12% to $360,000.

For 1984, Canon U.S.A. reported sales in North America of $1.26 billion, a 34.9% increase over 1983. Worldwide sales of $3.31 billion were up 26.3% over 1983 for the present. Earnings were $139.6 million worldwide, up 23.9% from 1983. Sales and earnings for both 1984 and 1983 fiscal years were converted from yen to dollars at the rate of Y251 = U.S. $1.

In worldwide sales, the business machines segment was up 36% to $2.11 billion, including $1.39 billion for copiers, up 23.3%. Business machines accounted for 63.8% of the company's total sales. Camera sales of $890.6 million remained flat, up 1.9%, and optical and other products rose 59.1% to $308.5 million.

To help boost stagnant sales of 35mm cameras, Canon introduced in the spring of 1984 its T70, a technologically elaborate SLR camera for advanced amateurs and beginners, and the MC, a lens shutter model designed for those looking for the ease of a "point and shoot" camera. Ads for the MC broke that June.

The T70 was kicked off at the Summer Olympics, around which Canon focused its entire 1984 multiproduct campaign. As the official camera of the 1984 Olympics, Canon reportedly purchased some 100 spots broadcast from July 27 to Aug. 13. It is estimated that the company spent nearly $20 million on the launch of the two products. Grey Advertising handles Canon's tv advertising and DYR has print.

To tout the T70, Canon signed hockey superstar Wayne Gretzky. The commercials featuring Mr. Gretzky broke on network tv in September and ran through December.

Canon views the introduction of the T70 as possibly the most significant introduction in its history. Leading National Advertisers, which monitors advertising in six media, reports Canon spent about $25.5 million in measured spending in 1984 to advertise its camera lenses and accessories.

In April, Canon introduced the VC-200 color video camera; in December the company brought out its first 8mm video system, Canovision 8.

At the 1984 Summer Olympics, Canon tested its Color Electronic Still Camera, which transmits photos recorded on miniature floppy discs via telephone lines.

Canon copier sales remained strong in 1984. For more than two years Canon has been the sole entrant in the personal copier field. While its leadership position may be firmly in place, industry talk reported in September, 1984, that Xerox Corp. was preparing to introduce its version of the personal copier. The Xerox home copier would compete directly with Canon's PC-10 and PC-20 Personal Cartridge Copying System. But Xerox subsequently dropped its plan to market a personal copier.

In the meantime, Canon can expect others to enter the market. It was reported that Mita, Sanyo, Toshiba, Ricoh and Minolta also are preparing to enter the personal copier market.

According to Dataquest, a San Jose, Cal., market researcher, the small photocopier market is expected to grow to $452 million in retail sales by 1988, up from $74 million in 1983.

Canon spent more than $26 million in copier advertising last year, reports LNA. More than 60% of that went into network tv.

Adding to its reprographic line, Canon introduced its Laser Copier 9030. The 9030 is the first digital copier capable of manipulating the original image as well as transmitting the image through wire..

In another development, Canon and Rochester, N.Y.-based Eastman Kodak announced in September a cooperative business relationship in the plain copier field. Under the agreement, Canon will supply Kodak with medium-volume copiers employing new photoconductive materials. The copiers will be sold under the Kodak name.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	3,891	0
Magazines	23,978	16,310
Network cable	1,948	1,949
Spot tv	8,212	7,440
Network tv	33,217	26,295
Spot radio	526	3
Network radio	2,050	1,507
Outdoor	360	410
Total measured	74,182	53,913
Total unmeasured	25,818	26,087
Estimated total	100,000	80,000

CANON U.S.A.
1 Canon Plaza
Lake Success, N.Y. 11042
(516) 488-6700
Marketing Personnel
Cameras

E. Yoshinari, adv-sales promo mgr
T. Hirasawa, adv-sales promo mgr

Copiers

H. Hirai, adv-sales promo mgr
T. Kikuchi, adv-sales promo mgr
Bob Sedlmaier, sales & promo asst
Jerry Callahan, coop adv coord

Calculators

H. Iwanami, adv-sales promo mgr
J. Sharp, mktg planning & admin mgr

Micrographics

M. Iwasaki, dir-genl mgr

Optical products

Isao Nogi, natl sales mgr-broadcast tv

Advertising Agencies

DYR, New York—print/sales promo, tv for cameras, calculators, copiers, medical prod, micrographics, facsimile machines, tv lenses, semiconducter mfg equipment—H. Koriyama, senior vp-creative; Frank Savarese, vp-mgmt super; Bill Barrett, vp-media dir; Payton Pellegrini, asst acct exec, medical & camera; Nick Nakahara, vp-mgmt super; Werner Almazar acct exec, camera, broadcast tv; John Yoon, typewriter, fascimile & micro graphics, vp-mgmt super; Chris Gibson, acct super.

Grey Advertising, New York—typewriters, personal computers, video equipment, tv ads for cameras—William Overend, exec vp-mgmt rep; Hank Greer, vp-senior mgmt super; Larry Geiger, Ray Halowski, George Miller, vps-mgmt supers.

CBS Inc.

RANK 41

New York

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Sales	4,925	4,396	12.0
Net income	212	187	13.4
U.S.			
Sales	4,296	3,783	13.5
Operating profits	N/A	N/A	N/A
Advertising	180	142	26.9
Division sales			
Broadcast group	2,721	2,389	13.9
Records group	1,265	1,159	9.2
Publishing	619	587	5.5
Other	325	266	22.3

CBS Inc., the country's 41th largest advertiser, which has fended off a takeover attempt initiated this spring by Turner Broadcasting System chairman Ted Turner, raised its U.S. advertising expenditures 26.9% in 1984 to an estimated $179.8 million over a restated $141.7 million in 1983.

Advertising expenditures for the New York-based entertainment and communications giant were up significantly in all categories of measured media spending except network cable and outdoor.

During the year, CBS financial results were at peak levels. Earnings in 1984—led by the broadcast group, which has made CBS the prime time leader in household ratings for six consecutive seasons—reached $212.4 million, up 13.4% from 1983. Sales were $4.9 billion, up 11.8%.

CBS Television Network achieved an unprecedented coup last year in winning all four elements of the ratings competition. It finished in the prime-time ratings with a 16.9 share, compared with 16.2 for NBC and 15.4 for ABC. That translated into pretax profits in 1984 of about $310 million, making it tops in network tv.

CBS in the first half of 1985, however, lost steam on the financial side, its operating income falling to $216.3 million, down 21.5% from the corresponding period in 1984, on sales of $2.35 billion, up only 0.8%. Declines in operating income in three of its four business segments—records, publishing and "other"—could not be offset by growth in the broadcast segment.

CBS spent April to July of 1985 in an elaborate financial chess match with Mr. Turner, whose takeover offering amounted to $5.4 billion in so-called "junk bonds" and stock. In June, CBS responded with its own buyback plan, offering to pay $150—$40 in cash and $110 in debt—for each of up to 6.4 million of its shares, in an effort to stymie Mr. Turner.

The strategy foiled Mr. Turner's bid. He dropped the offer in late August and promptly struck a complex deal with Metro-Goldwyn-Mayer Film Co. in which TBS would end up with the MGM film library, film and tv-program production studio and some real estate for about $1 billion in cash.

Last year, CBS continued its strategy of diversification initiated two years ago, paying $362.5 million for the Ziff-Davis magazines and investing $57 million to become a partner in cable's SportsChannel and in Rainbow Service's two national pay cable services, American Movie Classics and Bravo.

Last May, the company agreed to pay $107.5 million to buy five radio stations from Taft Broadcasting. The stations include an am-fm combination in Tampa, Fla., two fm stations in Texas and an fm station in Washington.

In recent years, CBS has entered joint ventures—CBS/20th Century-Fox home video business, the Tri-Star movie studio, production and distribution of the compact laser disc with Sony and the Trintex videotex joint venture with International Business Machines and Sears, Roebuck & Co.—but none has shown profit yet.

The long-term strategy appears to be to involve the company in growth businesses, because CBS managers anticipate trouble down the road for CBS' main money makers. Revenues for the CBS/Record Group still have not built back from the 1980 high-water mark as the baby boomers have begun to mature past the below-24 age group where most records are bought. However, revenues and operating profits have improved each of the past two years. At the same time, cable, videocassette recorders and independent tv stations are eating away at the CBS/Broadcast Group's audience.

Analysts attribute CBS' good earnings picture in recent years largely to an exceedingly successful stable of tv shows, the phenomenal appeal in 1983 of CBS recording superstar Michael Jackson and his "Thriller" album and the cost-cutting and organizational abilities of Thomas H. Wyman, chairman-ceo.

The short-term effects of the diversification strategy were to tie up company funds in acquisitions. This, in itself, discouraged a hostile takeover by depleting corporate cash. Last spring, the company opened a $1.5 billion line of credit with a consortium led by Swiss Bank and Chemical Bank, which was viewed by some analysts as a possible source of funds for new acquisitions.

But Drexel Burnham analyst John Reidy discounts the long-term gloom for broadcasting. "Don't hold your breath waiting for broadcasting to go out of the business," Mr. Reidy says. "Yes, there are pressures on broadcast electronics, and the company is responding with rigorous cost controls. Broadcasting is still CBS' dominant business. It's not possible to diversify away from it."

The company is reported ready to divest itself of such losers as its toy company, last year's "one significant disappointment," according to Mr. Wyman. In August, 1985, CBS did sell its Dallas-Fort Worth cable system to Sammons Communications, Dallas. CBS had bought the system three years ago under a waiver from the Federal Communication Commission, which normally prohibits tv networks from owning cable systems.

CBS this September disposed of its musical instruments (Steinway pianos and Gemeinhardt flutes, among others) and in July it halted manufacturing of videodiscs, after videodisc player suppliers halted operations.

Among CBS' leading "products" drawing company advertising in 1984 was CBS Television, which drew $22.7 million, up 52.3% from the previous year, according to Leading National Advertisers, which monitors six major media. Columbia Record & Tape Club drew $24.6 million in 1984, more than doubled its $9.2 million draw in 1983. Ideal Toys got $11.2 million in measured media spending, up 56%.

Media spending rose most dramatically in magazines. The measured magazine advertising expenditure last year was $47.4 million, more than half of CBS' total measured spending in 1984. The figure represents a 54% increase in that category from 1983.

It was a good year for CBS Television Network, for the first time outperforming the competition in prime time, evening news, daytime and late night. The network hauled in 10 Emmys, four for the perennial ratings leader "The CBS Evening News With Dan Rather." One of its five owned tv stations—WBBM-TV in Chicago—placed first in its market for total audience delivery for the late local news in the Nielsen February sweeps.

Revenues in 1984 for the Broadcast Group reached $408.6 million, an increase of 14%. In the first half of the current fiscal year, the Broadcast Group sales increased only 6.5% as operating income increased 12.5%.

Top 25 network tv advertisers

Rank	Advertiser	Network tv ad expenditures ($000) 1984	1983	% chng	as % of co.'s 1984 ad total
1	Procter & Gamble Co.	$412,747	$366,663	12.6	47.3
2	American Telephone & Telegraph	253,117	146,604	72.7	44.9
3	General Motors Corp.	231,443	201,350	14.9	30.3
4	General Foods Co.	190,223	170,065	11.9	42.3
5	American Home Products	179,024	161,435	10.9	43.5
6	Sears, Roebuck & Co.	172,446	145,007	18.9	23.1
7	Johnson & Johnson	168,639	131,266	28.5	56.2
8	Anheuser-Busch Cos.	166,416	116,515	42.8	45.7
9	Ford Motor Co.	164,253	172,308	(4.7)	29.4
10	McDonald's Corp.	162,462	80,931	100.7	33.8
11	Philip Morris Inc.	161,716	128,266	26.1	28.3
12	Unilever U.S.	142,982	110,303	29.6	36.1
13	Coca-Cola Co.	140,104	95,889	46.1	40.8
14	Kellogg Co.	128,080	73,006	75.4	61.3
15	Dart & Kraft	123,289	87,415	41.0	45.8
16	Bristol-Myers Co.	122,552	120,974	1.3	47.4
17	General Mills	115,608	100,279	15.3	40.8
18	Beatrice Cos.	111,591	97,605	14.3	16.4
19	Pillsbury Co.	106,983	74,337	43.9	33.6
20	R.J. Reynolds Industries	97,600	69,907	39.6	14.4
21	Chrysler Corp.	93,637	84,194	11.2	29.5
22	Ralston Purina Co.	91,837	94,439	(2.8)	21.4
23	PepsiCo Inc.	90,403	73,955	22.2	21.1
24	U.S. Government	87,697	30,063	191.7	30.5
25	Warner-Lambert Co.	86,976	74,639	16.5	19.8

Source: Broadcast Advertisers Reports as supplied to Leading National Advertisers

In 1984, CBS/Records Group—which has Cyndi Lauper, Boy George and Bruce Springsteen, as well as Michael Jackson, under contract—saw revenues increase to $1.27 billion, up 9.2% over the previous year, and operating profits improve 12.8% to $123.5 million. But the record company's failure to come up with a blockbuster album so far in 1985 has begun to affect the group. For the first half of the new year, sales for the group were down 12.5% to $574.2 million, and operating income was off 50.1% to $43.8 million.

The picture at the publishing group was pretty bleak in the first half of this year. While sales were up 18.7%, the group suffered a loss of $12.9 million compared with a loss of $5.4 million for the period in 1984. CBS cited the costs associated with its purchase of 12 Ziff-Davis magazines for the drop, primarily coming in the first quarter.

Because CBS has been involved in celebrated lawsuits—from issues of libel to takeover attempts—much of the news about CBS in the past year has come from the courts. Early this year, it beat back a lawsuit by retired Gen. William Westmoreland, who claimed that a special CBS report on the Vietnam War had libeled him. The case reportedly cost CBS $10 million in legal fees.

A few months after the Ziff-Davis purchase was concluded, CBS sued the former publisher, claiming it had overstated the earnings of the 12 consumer magazines that CBS bought. Much of the Turner imbroglio has been argued before the FCC.

CBS also is suing the conservative group, Fairness in Media, after the group and its congressional spokesman, Sen. Jesse Helms (R., N.C.), sent out a circular in January to a million conservatives, urging them to buy shares of CBS stock. CBS is maintaining in federal court that the group is guilty of Security and Exchange Act violations.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	21,519	15,829
Magazines	47,423	30,737
Network cable	662	1,704
Spot tv	13,534	12,761
Network tv	13,852	10,585
Spot radio	1,035	133
Network radio	189	133
Outdoor	923	935
Total measured	99,137	72,819
Total unmeasured	80,663	68,881
Estimated total	179,800	141,700

CBS INC.

51 West 52nd St.
New York, N.Y. 10019
(212) 975-4321

Marketing Personnel

Louis Dorfsman, vp-creative dir adv & design
Warren W. Spellman, vp-media services
James M. Shumaker, dir-operations admin
Maureen A. O'Donnell, dir-media services
Ted Andresakes, senior art dir
Ira Teichber, dir-design services
Naomi Andrews, copy chief
Toby Muller, mgr-adv operations

Advertising Agencies

Deutsch, Shea & Evans, New York—CBS Recruitment Advertising—Kay Winterhalter, acct exec.

Doyle Dane Bernbach, New York—CBS Corporate Media Services, CBS Pre-Retirement program—Lawrence J. Iannuzzelli, exec vp; Jack Cohen, vp-dir, print & outdoor media buying; Anne Oliver, vp-acct super.

Equity Advertising, New York—CBS Recruitment Advertising—Julia Jacobs, vp.

CBS/BROADCAST GROUP

Marketing Personnel

D. Thomas Miller, vp-genl mgr, cable services
David F. Poltrack, vp-rsch
George F. Schweitzer, vp-communications & info

CBS Television Network

Marketing Personnel

William G. Cecil, vp-sales planning, CBS Television Network sales
Jerome H. Dominus, vp-sales
Richard A. R. Pinkham Jr., vp-mktg services, CBS Television Network sales
Donald W. Evers Jr., dir-communications

CBS Entertainment

Marketing Personnel

Herman Aronson, vp-operations & creative services
Ann Kalman, vp-media services, West Coast
Morton J. Pollack, vp-adv & promo, West Coast
Daniel Stern, vp-promo, adv, East Coast
Bruce Weiner, vp-affiliate adv & promo
Kathie Culleton, dir-admin, West Coast
Tetsuya Matsuura, exec art dir

CBS Sports

Marketing Personnel

Robert V. Tassie, vp-communications
Keith Johnson, mgr-adv & media services

CBS News

Marketing Personnel

Robert Chandler, senior vp-admin
Joseph R. Passarella, dir-adv & on-air promo

CBS Television Stations

Marketing Personnel

Douglas C. Clemensen, vp-audience mktg
Rod Perth, vp-genl mgr, natl sales
Eglon Simon, vp-sales
Michael Dainard, dir-mktg
Fran S. Kaufman, mktg services mgr
David LaFountaine, dir-communications, WCBS-TV, New York
Ivan Ladizinsky, dir-communciations, WCAU-TV, Philadelphia
Lillie Eide, dir-communications, WBBM-TV, Chicago
Scott Hunker, mgr, adv & promo, KMOX-TV, St. Louis
Michael G. Mischler, dir-communications, KCBS-TV, Los Angeles

CBS Radio

Marketing Personnel

Michael R. Ewing, vp-genl mgr, CBS radio network
Robert Hyland III, vp-CBS owned fm stations
Edward Kiernan, vp-genl mgr, CBS radio spot sales
Robert Kipperman, vp-genl mgr, RADIORADIO
Eugene Lothery, vp-CBS owned am stations
Stephen J. Youlios, vp-sales, CBS radio networks
Terry Drucker, dir-rsch, CBS radio reps
Norman S. Ginsburg, dir-mktg & promo, RADIORADIO
Judith A. Harper, dir-promo, CBS radio performances
Suzanne M. Sack-Dowden, dir & promo, CBS radio network
Kathleen T. Seipp, dir-mktg, CBS owned fm stations
Louise Hallahan, mgr, sales promo & devel, CBS-FM natl sales
Marguerite Hauck, mgr-rsch & mktg, CBS radio natl sales
Winifred A. Mullen, dir-information services, WCBS, New York
Betsy Bucken, dir-mktg & promo, WCBS-FM, New York
Linda Dartnell, dir-communications, WCAU, Philadelphia
Vincent Benedict Jr., vp-genl mgr, WCAU-FM, Philadelphia
Barbara DiGuido, mgr, information services, WBBM, Chicago
Wayne Jefferson, vp-genl mgr, WBBM-FM, Chicago
Judy Simms, public affairs dir, KXOM, St. Louis
Robert Fulstone, station mgr, KHTR, St. Louis
Fred Bergendorff, promo dir, KNX, Los Angeles
Robert L. Nelson, vp-genl mgr, KKHR, Los Angeles
Ray Barnett, vp-genl mgr, KCBS, San Francisco
George L. Sosson, vp-genl mgr, KRQR, San Francisco
Brian Pussilano,vp-genl mgr, WHTT, Boston

CBS Productions

Marketing Personnel

Ronald W. Chaimowitz, vp-mktg devel
Jonathan M. Kramer, vp-mktg & ancillary rights
Gary J. McCarthy, vp-finance & production mgmt
John M. Eger, senior vp-Worldwide Enterprises
Joseph P. Bellon, vp-mng dir, Worldwide Enterprises
Joseph J. DiCerto, dir, adv & promo, Worldwide Enterprises
Arthur F. Kane, vp-mng dir, CBS Broadcast International
Charles E. Walsh, vp-worldwide adv sales, CBS Broadcast International

Advertising Agencies

Batz-Hodgson-Neuwoehner, St. Louis—KHTR—Clay Hyland, acct exec.

Charisma Communications, New York—*CBS Byline Magazine*—Lorraine Hartigan, exec vp.

Ted Chin & Co., inc., New York—WCBS—Ted Chin, president; Lisa Brummel, Bob Dillon, acct execs.

D'Arcy, Masius, Benton & Bowles, Chicago—CBS spot cable sales, WBBM-TV—William Lunn, senior vp; Anne Rossen, acct exec.

Della Femina, Travisano & Partners, New York—WCAU-TV, WCBS-TV—Bob Sherman, president; Meredith Uhlmann, acct exec.

Doyle Dane Bernbach, New York—CBS/Broadcast Group, CBS radio network div, CBS radio reps, CBS Sports div, CBS TV Stations div, CBS Worldwide Enterprises, RADIORADIO Network, WCBS (fm)—Lawrence J. Iannuzzelli, exec vp; Jack Cohen, vp-dir, print & outdoor media buying; Anne Oliver, vp-acct super.

English & English, St. Louis—KMOX—Alice English, president; Robin Faulk, copywriter.

McAdams & Ong, Philadelphia—WCAU—Brian Adams, president; Steven L. Kreshover, acct exec.

Media 4, St. Louis (in-house)—KMOX-TV—Scott Hunter, mgr-adv & promo.

Media II, Los Angeles (in-house)—KCBS-TV—Mike Mischler, dir-communications.

Ogilvy & Mather, Los Angeles—CBS Entertainment div—Marilyn Fidler, vp-mgmt super.

Poindexter/Osaki/Nissman, Los Angeles, KKHR—Larry Poindexter, president; Michael Heiser, acct exec.

Serali Advertising, Los Angeles—KNX—Jack Seery, president.

Spencer Granville, San Francisco—KCBS—John Leonard, creative dir.

CBS/RECORDS GROUP

Marketing Personnel

Cornelius F. Keating, senior vp-direct mktg
Robert Altshuler, vp-press & public affairs
Gerard Durkin, vp-CBS Music & Video Enterprises
Roger M. Holdredge, vp-mktg, CBS Masterworks
Calvin Roberts, vp-operations mktg (U.S.)
Anne M. McLaughlin, mgr-order services, *Columbia Magazine*

CBS Records

Marketing Personnel

Donald A. Demsey, senior vp-genl mgr, Epic/Portrait/Associated Labels
Albert E. Shulman, senior vp-genl mgr, CBS special prod
Paul R. Smith, senior vp-genl mgr, mktg
Linda Barton, vp-adv & design
John Berg, vp-pkg art & design
Roselind D. Blanch, vp-mktg services
Larry Douglas, vp-mktg, West Coast, Epic/Portrait/Associated Labels
John A. Kotecki, vp-sales
Michael B. Martinovich, vp-merch
Ronald K. McCarrell, vp-mktg, Epic/Portrait/Associated Labels
Thomas McGuiness, vp-mktg, branch distribution
Robert Sherwood, vp-mktg, Columbia Records
Jerry Shulman, vp-mktg devel
Robert Willcox, vp-prod mktg, West Coast, Columbia Records
Roy Wunsch, vp-mktg, Nashville
Thomas S. Asalone, dir-creative services, CBS special prod
Yvonne Ericson, dir-print media

CBS Records International

Marketing Personnel

Robert J. Campbell, vp-mktg
Bernice A. Freidus, vp-creative operations
Mauri Lathowers, vp-creative operations, West Coast
Frank O. Hendricks, dir-mktg admin

Columbia House

Marketing Personnel

Richard Archer, vp-creative services
Sharon Kuroki, vp-Music Club mktg
Brian Wood, vp-Video club
Marshall Wilcoxen, dir-club sales promo

CBS Songs

Marketing Personnel

Harvey J. Shapiro, vp-genl mgr
Danny Strick, dir-creative operations, East Coast

Advertising Agencies

CRU Advertising, New York (in-house)—Columbia/Epic, Columbia special prod, CBS Music Video Enterprises, CBS Records International (domestic adv), CBS Songs div—Yvonne Ericson, dir-media, print & tv.

Wunderman, Ricotta & Kline, New York—CBS Video Club/CBS Video Library, Columbia/Epic, Columbia Record & Tape Club, Columbia Software Club—Ralph Siegler, senior vp; Morris Baumstein, broadcast adv; Peter Rabar, senior vp; Carl Dentino, acct exec.

CBS PUBLISHING GROUP

Educational & Professional Publishing

Marketing Personnel

Division Marketing

Janice Trebbi Richards, vp
Sandra E. Hayes, adv mgr

General Book

Jane S. Pasanen, vp-mktg & subsidiary rights
Blanche I. Brann, publicity mgr
Leslie Rowe, natl sales mgr

College

Barbara Kimball, vp-mktg
John W. Wood, vp-sales
Fred Velardi, mgr-adv & prod information

School

Joseph M. Krassner, vp-mktg & sales
Robert B. McGuire, vp-sales, adoption states
Patricia Nave, dir-mktg
Sally R. Owen, adv mgr

Winston Press

Pamela Johnson, mgr-adv

W.B. Saunders

William L. Gibson, vp-sales & mktg
Joan R. Spaulder, dir-mktg
Lee Ekelof, media mgr

Praeger

Virginia McElroy, dir-mktg
Bob Ryan, direct mail coord

International Publishing

Millard F. Engleka, vp-intl operations

TransMedica

George Rohr, president

CBS SOFTWARE

Marketing Personnel

Arthur S. Barnett, vp-mktg services
Barry Denes, vp-sales
John Rosen, vp-mktg
Ruth Stone, dir-promo services

CBS MAGAZINES

Division Personnel

Paul H. Chook, exec vp-operations
Albert S. Traina, exec vp
Michael J. O'Neill, senior vp-adv
Robert Alexander, president, CBS Magazine mktg
Carl Kopf, vp-genl mgr, CBS Magazine mktg
Bernard B. Lacy, vp-circulation
Marian White, vp-rsch
Robert Checkanover, creative dir
Phyllis G. Crawley, dir, communications

Woman's Day

Anne Sutherland Fuchs, vp, publisher
Robert Mate, vp-adv dir
Meg Callaci, promo dir
Bonnie Geller, dir-adv mktg services

Monthly Magazines

John Miller III, vp-publisher, *American Photographer*
Stephen L. Goldberg, associate publisher, adv dir, *Audio*
Michael A. Hurley, publisher, *Backpacker*
J. Samuel Huey, publisher, *Boating*
Donald M. Hufford, vp-publisher, *Car & Driver*
James A. Frahm, vp-publisher, *Cycle*
James Hansen, vp-publisher, *Cycle World*
Eugene Bay, vp-publisher, *Field & Stream*
Jay Durfee, vp-publisher, *Flying*
Marlene Jensen, vp-publisher, *Home Mechanix*
George E. Morrissey, vp-publisher, *Modern Bride*
Sidney Holtz, vp-publisher, *Popular Photography*
Richard A. Bartkus, vp-publisher, *Road & Track*
George A. Hirsch, publisher, *The Runner*
Henry A. Kaiser, vp-publisher, *Skiing*
Roman Beyer, vp-publisher, *Stereo Review*
Edward D. Muhlfeld, vp-publisher, *Yachting*
Carol L. Klapper, vp-publisher, *Popular Magazines*
Gordon R. Burkhard, vp-publisher, *Woman's Day* specials
James J. Hessel, adv dir-*Woman's Day* specials
James Kopper, vp-publisher, CBS Magazine Network (Ziff-Davis)
Peter Veronis, vp-CBS Magazine Network
Jeffrey Roberts, adv dir, *American Photographer*
Stephen A. Dudley, adv dir, Backpacker
Robert E. Berg, adv dir, *Boating*
Donald R. Cooke, natl adv mgr, *Car & Driver*
Jack Kohr, associate publisher, *Cycle*
Larry M. Little, adv dir, *Cycle World*
John H. Grant, Jr., adv dir, *Field & Stream*
Dick Koenig, associate publisher, *Flying*
Ernest J. Renzulli, adv dir, *Home Mechanix*
Howard Friedberg, adv dir, Modern Bride
H. Clifford Parris, vp-adv dir, *Road & Track*
Belle Jauchen, adv mgr, *The Runner*
James Flynn, adv dir, *Skiing*
Winston A. Johnson, adv dir, *Stereo Review*
Alexander Armentrout, associate publisher, adv dir, *Yachting*
Patricia Jellicoe, associate publisher, mktg, *American Photographer*
Zvia Herrman, mktg mgr, *Car & Driver*
Arnold Gluskin, mktg dir, *Cycle World, Road & Track*
Richard L. Walter, mktg dir, *Field & Stream*
John E. Brown, mktg dir, *Home Mechanix*
Nancy Youngbeck, promo mgr, *Modern Bride*
Molly Davis, promo coord, *The Runner*
Tamra Fischer, promo coord, *Skiing*
Nancy Stevens, promo coord, *Yachting*
Charles Alexander, adv dir, CBS Magazine Network (Ziff-Davis)
Sofia Baron, adv services dir, CBS Magazine Network (Ziff-Davis)
Hank Snee, creative services dir, CBS Magazine Network (Ziff-Davis)

Advertising Agencies

Ad Lib (in-house), Minneapolis, Minn.—Winston Press— Pamela Johnson, mgr-adv.

Atlantis, Hazlet, N.J.—Holt, Rinehart & Winston—Bob Mallm, president.

Calvillo, Shevack, Goldberg & Partners, New York—CBS Magazine mktg, *Woman's Day*—Howard Berg, vice chmn.

CMZ Advertising, New York (in-house)—*Backpacker, Boating, Car & Driver*, CBS Magazine Network (Ziff-Davis), *Cycle, Flying, Modern Bride, Popular Photographer, The Runner, Skiing, Stereo Review, Yachting*—Hank Snee, creative services dir.

Cunningham & Walsh, New York—CBS Software—Maureen Mara, acct super.

David Deutsch Associates, New York—*American Photographer*—Kevin Buckley, media planner.

Flamm Advertising, New York—Holt, Rinehart & Winston, College/Dryden/Saunders—Joe Flamm, president.

Grey, Lyon & King, New York—CEPP div mktg—Eileen Kiel, acct exec.

Jameson Advertising, New York—Holt, Rinehart & Winston general book div—Pasquale Cool, vp-acct exec.

Levy, Flaxman & Associates, New York—*Mechanix Illustrated*—William Ryker, vp.

Lois, Pitts, Gershon, New York—CBS Magazine Network—Patrick Dolan, acct super.

The Marketing Department, New York—Praeger—Richard Thorn, mktg consultant.

J.R. Navarro, Los Angeles—*Road & Track*—Mike Navarro, president.

Nyerges & Paine Advertising, Beverly Hills—*Cycle World*—Mike Nyerges, president.

Warren/Kremer, New York—*Field & Stream*—Peter Warren, partner.

CBS TOYS

Marketing Personnel

Boyd W Browne, president
Waymon Wittman, senior vp-sales
Allan Blum, dir-adv & sales promo
Ronni Pollack, dir-character licensing
Judith Sussman, dir-pr & prod merch
Marilyn Marsh, mgr adv

Advertising Agency

Towne, Silverstein, Rotter, New York—CBS Toys div—Amy Weltman, vp-acct super.

CBS/FOX

Marketing Personnel

David B. Brown, vp-mktg
Robert Dellis, vp-sales
Dick Davi, dir-adv & creative services

Advertising Agency

Doyle, Dane, Bernbach, New York—CBS/FOX—Bob Stern, acct super.

RANK
51

Chesebrough-Pond's

Greenwich, Conn.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	1,857	1,685	10.2
Net income	120	128	-6.5
U.S.			
Sales	1,480	1,338	10.6
Operating profits	181	192	-5.5
Advertising	146	142	2.2
Division sales			
Packaged foods	334	320	4.0
Health-tex	335	300	11.6
Health/beauty	304	301	1.3
Bass	172	144	19.7
Prince Matchabelli	140	127	9.8
Hospital prods.	75	70	6.3
Prince	65	64	2.1
Polymer	53	N/A	N/A
International	366	345	6.0

Chesebrough-Pond's, Greenwich, Conn., turned in another static year in 1984, boosting its advertising budget a mere 2.2% to an estimated $145.5 million. Among the nation's top 100 advertisers, C-P dropped to 51st from 46th in 1983.

Following the trend of the past two years, advertising and promotion amounted to nearly 8% of sales, which in 1984 rose 10.2% to $1.86 billion. But earnings fell to $119.5 million, down 6.5% from the previous year.

First-quarter results for 1985 show the company is still in a holding pattern. Although sales hit $515.9 million, up 22.5% from the previous year's quarter, and net income reached $18.9 million, up 1.4%, the results included those of Stauffer Chemical Co., acquired in March. Without Stauffer, first-quarter sales increased 4.5% to $440 million and net income dropped 9.5% to $16.8 million.

In an effort to streamline its operations, in June, 1985, C-P agreed to sell its Health-tex division to a management group in a leveraged buyout headed by Robert A. Breakstone, a group vp and former president-general manager of the children's apparel line. Terms of the buyout were not disclosed.

Health-tex division sales of $335.3 million were up 11.6%, but operating income fell, down 10.7% to $34.4 million, proving how the company's slow reaction to changes in fashion and novelty-items hurt earnings. The divestiture relieves the company of a strongly cyclical business.

Sound Waves, Health-tex's upscale line of children's sportswear, was introduced in 1984 with an initial measured ad budget of $119,700, according to Leading National Advertisers. The

Our Gang sportswear took a tremendous jump in the ad budget, up 140% to $372,200, primarily in spot tv and newspaper supplements. The Our Girl apparel line was dropped.

Health-tex acquired Imperial Reading Corp. in June, 1984, for $4.9 million, an acquisition that includes Brittania brand children's apparel.

Bass shoe division was C-P's sales growth leader, chalking up $172.1 million in sales in 1984, up 20% from 1983. The strong sales, however, came in the face of an operating loss of $1.26 million, an 80.7% drop from 1983. Strong retail operations from the Shoe Box chain, acquired in 1983, and sales of men's styles, especially the black penny loafer made popular by singer Michael Jackson, attributed to the division's sales success. But efforts to lower operating costs and become more competitive by closing two U.S. plants and shifting much of its manufacturing overseas contributed to the substantial fall in profits.

Bass spent $1.5 million in advertising, up 2% from 1983 levels, according to Leading National Advertisers, with heavy spending in magazines.

Also scoring well in sales for C-P in 1984 was the Prince Matchabelli division, aided by the introduction of major new fragrance lines and a fancy new nail color innovation. Sales were up 9.7%, to $139.7 million in 1984, marking a second year of sales growth for the division.

The debut of the Aziza Polishing Pen in December, 1984, was likely the company's most revolutionary product introduction of the year. The quick-drying nail color, applied with a fiber-tipped applicator, is the first in the industry.

The Polishing Pen received about $2.8 million in network tv and national print advertising for its introduction. C-P expects the product to garner an 8% market share in its first three months, an impressive goal in its $216 million category in the retail business, according to T.H. Augenbraun, vp-marketing, cosmetics. Revlon is the present market leader with 21% share in drugstore sales. L'Oreal is second with 15% share followed by Noxell's Cover Girl with 13% share.

Several new fragrances were introduced in the $2.5 billion fragrance industry, despite the relatively flat year industrywide. Verve body scenting mist, for the whole body, was introduced in the spring of 1985. Verve is sold in stores' fragrance departments, rather than in the deodorant sections. William Esty Co. handles the print and tv campaign, themed "Play play play. Verve."

Beret also was introduced last year with an ad budget of $2.74 million, nearly 75% in network tv and the remainder in magazines. This fall, Musk for Him will be introduced with ad assignment going to William Esty Co.

Prince Matchabelli also organized a new fragrance branch called Parfums International to handle costlier fragrances such as Decadence, to be introduced in fall, 1985. Parfums International will fold a mail-order program into its ad plan, following the lead of Giorgio, the high-end fragrance sales leader of the decade. Advertising duties were assigned to Kobs & Brady in August, 1985.

Cachet was updated in 1984 with new pink cartons and backed by a $2.4 million campaign. Ad theme is "Make a fantasy real today." Cachet Noir, two years after introduction, saw its budget fall 78% to $662,500 in 1984.

Prince Matchabelli plans to introduce a skincare line in 1986 and has sought actress Barbara Eden to endorse the product. No agreements have been reached at this writing.

In the packaged foods division, C-P racked up sales of $347.5 million for the year, a 3.9% increase from the previous year, yet another falloff in earnings, down nearly 4%, to $59.2 million.

Ragu spaghetti sauces, still No. 1 in its category, lost market share as it fell from 66% to 50% in 1984 in the $760 million-a-year sauce market. Market share for its nearest competitor, Campbell's Prego, has grown from 5% to 26% in 1984 in its four years on the market. Measured spending for Prego in 1984 was $12.1 million. Ragu spaghetti sauce took the largest share of C-P's measured advertising budget in 1984, with $19.3 million, a 129% increase, that helped introduce two new flavors of chunky garden style spaghetti sauce.

C-P reports Ragu Pasta Meals, a combination of pasta and sauce in a jar, received good response in initial testing.

The packaged foods division turned to radio for the first time in several years to advertise Ragu Homestyle sauce, and also turned to the medium for its Pizza Quik brands. C-P dropped measured advertising for Adolph's instant meat tenderizer, a line that spent $378,100 in 1983.

The health & beauty products division scored a rather flat sales year, with $304.3 million, inching up 2% over the previous year. Operating income, however, grew 11%, to $59.2 million in 1984.

In September, several extensions of established lines were introduced, including Cutex lipsticks, Vaseline Lip Therapy petroleum jelly and Q-tips cosmetic applicators. Cutex lipsticks received $2.36 million for its introduction, in magazine, spot tv and network tv. Q-tips applicators got an ad budget of $593,700 for 1984. Rave Hair Masque conditioner was introduced in December, 1984.

One product without significant competition, Vaseline petroleum jelly, received new advertising, predominantly in print. Vaseline has 78% of the petroleum-jelly market, primarily competing against generic brands.

Q-tip cotton swabs received new ad support, spending $6.22 million in measured media, down 35% from 1983 levels.

Vaseline Intensive Care took the second largest share of the C-P's measured advertising budget in 1984, up 34% from 1983, to $12.1 million. In 1984, Vaseline Intensive Care led the $500 million hand-and-body moisturizer category with a 19% share in dollars, according to industry analysts, who peg as the No. 2 market brand, American Brands' Jergens, with 11% share, followed by Westwood Pharmaceutical's Keri lotion at 8.4%; Lubriderm from Warner-Lambert at 5%-plus; Beiersdorf's Curel and Nivea at 4.8%, and Soft Sense by S.C. Johnson & Son at 4.7%.

The two-year ad-claims dispute between C-P's Vaseline Intensive Care and Procter & Gamble's Wondra lotion was settled this year. The Council of Better Business Bureau's National Advertising Division said in June, 1985, that both companies agreed to modify or discontinue ads for their hand lotions. Both stood by their claims, but agreed to modify the claims to end the controversy.

Wondra's advertising, by Benton & Bowles, claimed it has the "most moisturizing glycerin of all leading lotions and . . . is best at turning rough, dry hands soft and smooth." Vaseline Intensive Care ads, by William Esty Co., claimed, "When it comes to relieving dry skin, no leading lotion beats Vaseline Intensive Care."

In its second year, Rave Soft Perm home permanent's ad budget fell 55%, to $3.07 million. Rave Spot Perm home permanent was introduced in 1984 with a $2.35 million ad budget, all in magazines.

The Prince division, marketer of tennis equipment and apparel, was active in new product introductions, including two new sizes of rackets introduced in September, 1984: The midsize Series 90 and a supersize Series 125 for doubles players. Two new advanced additions to the original Prince Series 110 line, the Prince Precision Graphite racket and Prince Magnesium Pro, also made the scene in 1984.

Top 25 spot radio advertisers

Rank	Advertiser	Spot radio ad expenditures ($000) 1984	1983	% chng	as % of co.'s 1984 ad total
1	Anheuser-Busch Cos.	$38,288	$40,676	(5.9)	10.5
2	General Motors Corp.	30,836	29,079	6.0	4.0
3	Van Munching & Co.	30,651	14,604	109.9	52.0
4	Philip Morris Inc.	26,445	22,483	17.6	4.6
5	PepsiCo Inc.	25,025	14,025	78.4	5.8
6	Delta Air Lines	19,321	15,309	26.2	28.9
7	Adolph Coors Co.	18,927	21,578	(12.3)	13.6
8	Chrysler Corp.	18,777	16,651	12.8	5.9
9	Coca-Cola Co.	13,932	8,048	73.1	4.1
10	Stroh Brewery Co.	13,478	10,532	28.0	15.8
11	Southland Corp.	12,479	12,146	2.7	N/A
12	Pillsbury Co.	12,014	9,640	24.6	3.8
13	AMR Corp.	11,994	8,301	44.5	10.8
14	Ford Motor Co.	10,787	12,993	(17.0)	1.9
15	Sears, Roebuck & Co.	10,078	5,497	83.4	1.3
16	IC Industries	9,993	6,163	62.2	7.9
17	Shell Oil Co.	9,940	7,690	29.3	N/A
18	Ralston Purina Co.	9,617	8,830	8.9	2.2
19	Zayre Stores	9,408	6,927	35.8	N/A
20	Martlett Importers	9,132	10,917	(16.3)	N/A
21	Greyhound Corp.	9,093	8,918	2.0	11.3
22	Apple Computer	8,382	2,230	275.9	8.4
23	Nissan Motor Corp.	7,584	10,881	(30.3)	4.6
24	U.S. Government	7,572	5,679	33.3	2.6
25	UAL Inc.	6,802	14,636	(53.5)	5.0

Source: Radio Advertising Bureau

Prince introduced a men's tennis apparel line and warmup gear in January and plans to follow through with a line of women's apparel and an athletic footwear line by the end of this year.

Prince's market share increased, despite the reduction in number of tennis rackets sold in the U.S. Prince held No. 1 with a 30% share of the $250 million quality-tennis racket market in 1984. Head and Wilson, No. 2 and No. 3, respectively, also faced heavy competition in the midsize racket category.

Over-all, Prince tennis rackets combined to spend $2.24 million in measured media, falling 35% from year-earlier levels.

Elsewhere in the company, the hospital products division expanded its Kangaroo line of internal feeding systems and introduced a Respiradyne pulmonary function tester in 1984. The polymer division recorded the company's fastest growing product line with its coating powders. In the international division, an increase in markets brought strong sales for Pond's creams and Vaseline Intensive Care lotions.

C-P was busy in acquisition activity throughout the past year, expanding into new areas and extending its established lines of business. The Polymer Corp., a worldwide manufacturer of engineered plastics, was acquired for $95.6 million in 1984 and became its own operating division.

In March, 1985, the company acquired Stauffer Chemical Co., Westport, Conn., for nearly $1.25 billion. Stauffer, with combined annual sales of more than $3 billion, manufactures and sells chemicals and chemical-related products and services. C-P believes that the acquisition provides needed research and development sources for new consumer products and chemicals.

C-P borrowed most of the purchase price to acquire Stauffer and is expected to reduce the debt by selling Stauffer assets and holding down costs, a measure including a staff reduction. The divestiture of the Health-tex line should help raise cash to reduce the debt incurred in the Stauffer acquisition.

H. Barclay Morley, chairman-ceo at Stauffer since 1974, announced his retirement effective Oct. 1, and Stauffer's executive vice president Roy Sambrook was named president-chief operating officer of Stauffer in June, 1985, elected to the Chesebrough board and given the new title of vice-chairman. He has been running Stauffer since the purchase. Mr. Morley's position will not be filled.

C-P held out the year with its agency affiliations intact. Klemtner Advertising, New York, was added to its roster for professional advertising for Vaseline Petroleum Jelly line, the first agency on record for professional advertising of that brand.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,628	2,171
Magazines	16,381	16,687
Network cable	116	1,041
Spot tv	6,664	10,647
Network tv	47,029	42,995
Spot radio	0	325
Network radio	1,546	0
Outdoor	53	81
Total measured	73,418	73,945
Total unmeasured	72,082	68,420
Estimated total	145,500	142,365

CHESEBROUGH POND'S CO.
33 Benedict Place
Greenwich, Conn. 06830
(203) 661-2000

Marketing Personnel

George F. Goebeler, vice chmn-president-coo, consumer prod group
Roy Sambrook, vice chmn-president-coo, chemical prod group
Dennis McCarthy, dir-corp communications, consumer prod group
K.R. Lightcap, vp-investor relations & public affairs
J.A. Russo, creative services dir
J.E. Campion, media dir, consumer prod group

CONSUMER PRODUCTS GROUP

International Division

Marketing Personnel

Anthony Butterworth president, consumer prod

HEALTH & BEAUTY PRODUCTS DIVISION

Marketing Personnel

Gary Malloch, president
William Barker, vp-mktg

Advertising Agencies

William Esty Co., New York—Vaseline brand prod, Pond's prod—Mark Miller, senior vp-mgmt super.

Ogilvy & Mather, New York—Q-tips, Rave, new prod in health & beauty aids—Peter Barnet, senior vp-group dir; Jean Fitzgerald, vp-mgmt super; Roger Wojohn, acct super; Barbara Johnston, acct exec.

Waring & LaRosa, New York—Cutex—Larry Weisberg, acct dir; Gloria Appel, acct super.

HOSPITAL PRODUCTS DIVISION

Marketing Personnel

Robert E. Karlson, president
Paul Dewy vp-mktg

Advertising Agency

Klemtner Advertising, New York—hospital prod div—Gavin Scotti, mgmt super; Greg Gull, acct super; Tony Pisciotta, acct exec.

PACKAGED FOODS DIVISION

Marketing Personnel

Charles B. Strauss, president-genl mgr
Michael Jeans, vp-mktg
Robert Maurer, Ragu group prod mgr
Tom Puccini, Adolph's prod mgr

Advertising Agency

Waring & LaRosa, New York—Ragu, Adolph's—John McCrosky, senior vp-mgmt super; Irwin Levy, senior vp-acct super; Clark Olver, acct super.

PRINCE MATCHABELLI DIVISION

Marketing Personnel

Edward I. Rabin, president
Michael Horowitz, vp-mktg, fragrances
Terry Augenbraun, vp-mktg, cosmetics

Advertising Agencies

William Esty Co., New York—Aviance, Wind Song, Cachet, Chimere, Matchabelli for Men—Tom Hayes, senior vp-acct super; Elizabeth Kimball, vp-mgmt super.

Waring & LaRosa, New York—Aziza—Gloria Appel, acct super.

G.H. BASS DIVISION
Wilton, Me.

Marketing Personnel

Richard Bourret, president
Cheryl Anderson, vp-mktg services

Advertising Agency

Geers Gross, New York—Susan Wishod-Gross, acct super; Noreen DeBonna, acct exec.

PRINCE DIVISION
Lawrenceville, N.J.

Marketing Personnel

John Sullivan, president
Ed Volkwein, vp-mktg
Michelle Gies, mgr-creative services
Robert Long, prod mgr, tennis rackets
Doug Leess, prod mgr, shoes
Pat Taylor, prod mgr, clothes

Advertising Agency

Waring & LaRosa, New York—Louise Erdman, acct super.

CHEMICAL PRODUCTS GROUP
STAUFFER CHEMICAL CO.
Westport, Conn.

Marketing Personnel

R.D. Caruthers, dir-adv
L.H. Wittenberg, pr dir

International Division

Joseph Monpeleone, president

Basic Chemicals Division

Robert E. Crow, president

Agricultural Products Division

Milan Turk, president

Specialty & Food Products Division

Conrad S. Kent, president

Advertising Agency

Bozell & Jacobs, New York—Stacy Stevens, mgmt super-senior vp.

RANK
23

Chrysler Corp.

Highland Park, Mich.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	19,573	13,294	47.6
Net income	2,380	701	239.6
U.S.			
Sales	17,240	11,666	47.8
Operating profits	2,187	642	240.4
Advertising	317	231	37.2

Chrysler Corp., Highland Park, Mich., the 23rd largest national advertiser, increased advertising spending 37.2% to an estimated $317.4 million in 1984.

Chrysler reported 1984 worldwide sales of $19.57 billion, up 47.6% from 1983. Earnings rose to a record $2.4 billion in 1984, a nearly 240% increase from $700.9 million in 1983.

The company's financial position continued to improve during 1984. At yearend, its debt was 19.7% of the total debt plus equity—down from 52.7% in 1983. Chrysler also paid dividends on common stock for the first time since 1979.

Tax-loss carry-forwards were prominent in the company's financial success in 1984. Their exhaustion in 1985 was reflected in returns for the second quarter in which earnings dropped 25.7% to $596.4 million compared with the similar period a year earlier. On a pretax basis, earnings showed a gain of 6% to $852 million.

Sales for the quarter, however, rose 13.9% to $5.98 billion as Chrysler improved its market share dramatically to 14% for the first seven months of 1985, according to analysts. They note the increase basically has been at the expense of General Motors.

Chrysler's share of the U.S. car market rose to 10.4% in 1984, up slightly from 10.3% in 1983. The company's share of the combined U.S. car and truck market rose to 11.1% compared with 9.9% for 1983.

Companywide, Chrysler sold 986,998 cars in the U.S. last year, up 17.3% from 1983. Dodge car sales were up 17.6% from 1983, with unit sales of 369,255 units. Chrysler division sold 328,499 units, up 25.9%, and Plymouth sold 289,244 units, up 8.9%.

The company's biggest sales gains came from the new-for-1984 Dodge Caravan and Plymouth Voyager minivans, and the Chrysler Laser and Dodge Daytona sport coupes. The minivans were so successful that Chrysler sold out the vehicles by spring and was unable to fill a number of orders because it could not make the vehicles quickly enough.

Dodge sold 44,717 Daytonas and Chrysler sold 53,131 Lasers in 1984, the first full year of availability. But Chrysler's K-cars—the Plymouth Reliant and Dodge Aries—continued to be the company's top sellers with unit sales of 138,154 and 111,984, respectively. Truck unit sales were led by pickups, with sales of 134,264.

Chrysler's measured ad spending rose 21.5% to $245 million, paced by a 37% gain for magazines. Network tv remained the big ad line item at $93.6 million, up 11.2%. Some of the major ad spenders in the Chrysler lineup, according to the six media monitored by Leading National Advertisers, included the Dodge Aries K at $12.1 million, up from $3.1 million in 1983; Dodge Caravan, $11.5 million, up from $1.3 million; Dodge Daytona, $15.1 million, up from $6.8 million; Dodge Omni, $7.6 million, up from $3.7 million; Dodge Ramcharger compact trucks, $6.7 million, up from $173,000, and Plymouth Reliant K, $14.6 million, up from $10.8 million.

Declines in spending were recorded for Chrysler New Yorker, down 41.9%, to $7.4 million; Dodge Ram compact trucks, off 23%, to $4.9 million; Plymouth Horizon, off 8.8%, to $6.2 million, and Chrysler passenger cars (unspecified brand), off 37%, to $11.6 million.

Factory contributions to dealer advertising associations increased by more than 46%, from an estimated $28 million in 1983 to $41 million in 1984 as Chrysler followed the industry into much closer cooperation with dealer ad groups, which are collections of dealers in individual markets that pool funds on a per-car basis.

As Chrysler moves toward greater regionalization of national image advertising, it supplements that by putting up matching funds for specific projects with dealer ad groups.

While publicly continuing to battle the GM-Toyota joint venture, in 1985 Chrysler started the wheels turning on a number of moves it had been preparing throughout 1984. Many hinged on the virtual lifting (quotas went up 24%) of Japanese car import restrictions April 1, 1985.

In the spring of 1985, Chrysler announced plans to: Form a joint venture with Japan's Mitsubishi Motors to build 180,000 subcompacts a year in a midwestern state beginning in 1988; increase Chrysler's holdings in Mitsubishi Motors to 24% from 15%; purchase parts from Korea's Samsung Industries, bring an Italian-built, two-seat, front-wheel-drive, $25,000 to $30,000 Maserati luxury sports car to the U.S. for the 1987 model year.

The Maserati will come in hardtop and convertible models based on Chrysler platforms and powertrains, will be limited to 5,000 to 6,000 units annually and will be aimed directly at the 1987 Cadillac Allante and Mercedes 380SL. Chrysler had purchased 5% of Maserati in July, 1984.

The company also signed U.K. auto maker Lotus Cars to develop a performance-oriented cylinder head for Chrysler four-cylinder engines and started studying a joint venture to let the Chinese government build Chrysler's 2.2-liter engine there for Chinese domestic use.

In August, 1985, the company raised capital spending by $1 billion to $11.5 billion over the next five years, much of that going into efforts to improve manufacturing systems and to back Chrysler's Liberty project—the development of a small car competitive with Japanese models.

In 1985, Chrysler announced a long-term goal of diversifying into other high-tech areas of business. In the spring, it bought 20% of Gulfstream Aerospace, Savannah, Ga., for $127 million. The merger will give Chrysler advanced technology in aerodynamics and instrumentation.

Chrysler's Financial Corp. and General Electric Credit Corp., Stamford, Conn., formed CGE Associates as a joint-venture commercial lender, and Chrysler agreed to buy E.F. Hutton Credit Corp., New York, for $125 million and merge it with Chrysler's own financial arm.

In 1984, Chrysler decided to import about 3,000 compact K-cars from its Mexican plant for sale in the Southwest and to move production of some limited-volume vehicles—those with 25,000 to 50,000 in sales—to Mexico.

This was followed by efforts to beef up image and corporate presence in the South and Southwest, traditionally weaker territory than the industrial northeast. Chrysler created more dealers, opened zone offices in New Orleans, Houston and Phoenix and increased dealer participation in regional ad groups from 5% to 97%. Vehicle penetration rose 1.4 points by mid-June to 10% in the region.

Chrysler chairman Lee Iacocca starred in two corporate tv commercials and a four-page color gatefold in newsweeklies. "I have one and only one ambition for Chrysler. To be the best. What else is there?" Mr. Iacocca said. Another ad had him in a factory that produces K-cars, saying, "If it weren't for the great success story of the '80s, I wouldn't be here today."

In September, Chrysler joined Chevrolet in shunning high-cost tv advertising by cutting network spending 8% for the 1985 model year, paring tv's share of the Chrysler ad dollar by 2% or 3%. The company diverted $7 million to $10 million from tv. Chrysler-Plymouth shifted ad dollars to print, radio and cable tv, and Dodge moved toward cable and magazines.

In October, Chrysler "swore off" ambitions of overtaking Ford Motor Co. in sales, deciding to aim at being a profitable No. 3 rather than a struggling No. 2. The philosophy took public form in a 1985 corporate ad theme line, "We want to be the best, not the biggest." The company's two-step strategic plan called for concentrating on high-volume cars in the largest and enduring segments and on beating GM and Ford to market in emerging segments and specialty niches. Holes in product lineup were expected to be filled on the low side by Japanese or Korean-made vehicles and on the luxury side by the joint venture with Maserati.

In late October, Chrysler embarked on a network tv ad strategy that included participation as a multi-million-dollar investor in the production of made-for-tv movies. The five-year plan included co-production ventures for at least two movies per season, beginning in 1986. The scheduling of movies will be pinned to launches of new Chrysler cars, with Chrysler as the exclusive automotive sponsor.

Chrysler began preparing for life after Mr. Iacocca, who will likely retire in three to five years. The charismatic leader "is the persona of the corporation," said James Tolley, vp-public affairs. "He is seen by millions as Chrysler itself." The company started plans to convert the virtues of Mr. Iacocca's image to that of Chrysler, with a "be the best" corporate image-building effort.

Chrysler introduced its H-body sport sedans, the Chrysler LeBaron GTS and Dodge Lancer, in January, 1985.

In February, Chrysler began a "rebate rerun," packaging incentives into a "Thank you, America" campaign. C-P concentrated on tv and radio, and Dodge on magazines, radio, newspapers and tv. A corporate print ad ran in national newspapers and newsweeklies.

In March, Chrysler launched a corporate image campaign in California, spoofing Chrysler's stodgy image. A tv spot presents quick cuts of cars and California life-style scenes set to hard-rock music. It ends with cars shooting past three men sitting in front of a ramshackle building. One puts down a newspaper and is revealed to be Mr. Iacocca. A wry voiceover says, "This message brought to you by those dull but dependable builders of predictability, Chrysler Corp."

In July, 1985, Chrysler set up a performance-oriented unit to develop high-performance and luxury-image cars. The Special Vehicle Management department, under general manager Donald P. Morrissey, will combine the development of low-volume image-makers at each end of Chrysler's price ladder into a single group.

Meanwhile, Dodge continued to use "new wave" tv spots and the "American Revolution" theme for 1985 model vehicles.

Arthur Kasteloot was named Dodge national ad manager in early 1985, from the same position at C-P, succeeding Joseph Cronin, who went to an ad agency. Michael Howe, former ad director at Volkswagen of America, succeeded Mr. Kasteloot as national ad manager at C-P.

In September, 1984, Chrysler began reestablishing Plymouth as a real competitor through higher quality products. The new Caravelle, a fancy K-car, six-passenger sedan, was presented as a move-up car for Reliant buyers. Ads dared competitors to "Match it! (if you can)" and challenged Buick Century and Olds Ciera.

Chrysler Laser again took on the Camaro Z28, Mustang SVO and Nissan 300ZX with, "We never forget the competition is always on our tail. We intend to keep them there."

C-P introduced the 1985 Chrysler XT, a sportier version of Laser, with a multimedia campaign. A cable and tv ad played on the full-line ad theme, "Because the competition is hot, we had to be hotter."

In May, 1985, two ad managers were named for C-P. George Hunt took the new post of Chrysler ad manager, from forward planning manager. James Jandesek was named to the new post of Plymouth ad manager, from truck ad manager for Dodge marketing.

Plymouth dropped magician Doug Henning as ad pitchman for Voyager minivan after 18 months, as part of a brand repositioning. It also replaced "Match it!" with a transitional "We're doing it right" on a testimonial series of tv commercials for Voyager, preparing for a new theme for 1986.

Plymouth brand image is moving toward a younger, better-educated, family-oriented target. Chrysler brand will stay with luxury, Dodge will keep performance and Plymouth will become functional convenience.

The next vehicle featured in Plymouth advertising as an "image car" will be the 1987 Plymouth Sundance, Chrysler's P-car. Its twin will be the Dodge Shadow.

Top 25 network radio advertisers

Rank	Advertiser	Network radio ad expenditures ($000) 1984	1983	% chng	as % of co.'s 1984 ad total
1	American Telephone & Telegraph	$16,344	$9,512	71.8	2.9
2	Cotter & Co.	10,201	9,648	5.7	16.0
3	Jeffrey Martin Inc.'	8,946	21,731	(5.8)	N/A
4	U.S. Government	8,633	9,293	(7.1)	3.0
5	Sears, Roebuck & Co.	8,630	10,629	(18.8)	1.2
6	Warner-Lambert Co.	8,143	7,823	4.1	1.9
7	General Motors Corp.	6,746	9,411	(28.3)	0.9
8	Purex Industries	6,715	2,788	140.9	N/A
9	Dow Jones & Co.	6,431	8,611	(25.3)	N/A
10	Anheuser-Busch Cos.	6,231	6,914	(9.9)	1.7
11	Triangle Publications	5,228	2,577	102.9	N/A
12	Nabisco Brands	4,938	4,696	5.2	1.5
13	PepsiCo Inc.	4,746	916	418.0	1.1
14	Campbell Soup Co.	4,371	7,429	(41.2)	3.1
15	Chrysler Corp.	4,141	2,858	44.9	1.3
16	Abbott Laboratories	4,017	885	359.3	N/A
17	Procter & Gamble Co.	3,977	1,504	164.4	0.5
18	Beatrice Cos.	3,345	488	585.8	0.5
19	National Distillers & Chemical Corp.	3,184	0	N/A	N/A
20	American Egg Board	2,959	993	198.0	N/A
21	Conagra	2,871	2,146	33.8	N/A
22	Hartz Mountain Industries	2,809	2,978	(5.7)	N/A
23	Kelly Service Inc.	2,734	0	N/A	N/A
24	S.C. Johnson & Sons	2,708	2,526	7.2	3.0
25	American Honda Motor Co.	2,647	2,636	0.4	2.0

Source: Broadcast Advertisers Reports as supplied to Leading National Advertisers Inc.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	34,962	31,846
Magazines	61,596	44,845
Network cable	2,327	1,631
Spot tv	27,446	18,362
Network tv	93,637	84,194
Spot radio	18,777	16,651
Network radio	4,141	2,858
Outdoor	1,587	479
Farm pubs	566	737
Total measured	245,040	201,673
Total unmeasured	72,360	29,605
Estimated total	317,400	231,278

CHRYSLER CORP.
P.O. Box 1919
Detroit, Mich. 48288
(313) 956-5252

U.S. AUTOMOTIVE SALES GROUP
Marketing Personnel

B.E. Bidwell, exec vp-sales & mktg
E.T. Pappert, vp-U.S. auto sales
J.A. Campana, vp-mktg
D.L. Davis, genl sales mgr
G.J. Giocondi, vp-services & parts
T.R. Cunningham, genl mgr-import/export operations
P.J. Keegan, genl mgr-truck operations
H.L. Barton, genl mgr-fleet operations
J.B. Damoose, genl mktg mgr-Dodge
A.C. Liebler, genl mktg mgr
A.C. Kesteloot, natl adv mgr-Dodge car & truck
M.V. Howe, natl adv mgr-Chrysler/Plymouth
J.L. Hickey, corp adv mgr
T. Pride, adv mgr
G.A. Northrup, adv mgr-cars
A.D. Imber, adv mgr-retail
W.H. Tracy, adv mgr-Dodge car
C.J. Stickford, import adv mgr
W.R. Coley, corp merch mgr
C.V. Vitulli, natl merch mgr-Dodge
E.J. Flemming, natl merch mgr-Chrysler/Plymouth
B.F. Mullins, dir-sales & mtkg pr
K.F. Laurence, dealer assn & retail adv mgr-Dodge
J.F. Kelly, forward planning mgr-Dodge

Advertising Agencies

Kenyon & Eckhardt, Inc.—Leo Arthur Kelmenson, president, chmn & ceo; Ron Deluca, vice chmn; Steve Frankfort, vice chmn.

• Detroit—Peter S. P. Dimsey, exec vp-genl mgr; Bruce P. Andrews, senior vp-admin genl mgr; James R. Heekin, senior vp-group mgmt super, Chrysler-Plymouth, Chrysler-Plymouth Dealer Assn—John P. Hickey, senior vp-mgmt super; Jeffrey Jacobs, vp-acct super, Chrysler; Douglas Symons, vp-acct super, Plymouth; William J. Shea, senior vp-mgmt super, corp; James Else, acct super, corp; Philip Matz, senior vp-media dir; Elton Kruger, senior vp-dir, media planning; Dwight Davis, senior vp-creative dir; Brian E. Palmer, senior vp-forward planning.

• New York—Ken Duskin, exec vp-creative dir; Bruce Montgomery, senior vp-associate creative dir; William Tenebruso, senior vp-dir, corp media services; Arnold Kusnetz, senior vp-dir, rsch.

• Los Angeles—John Adams, senior vp-genl mgr; Mark Curran, senior vp-mgmt super, Chrysler Imports; Hy Yablonka, senior vp-creative dir; Nelda Chambers, senior vp-media dir; Renee Frasen, vp-dir, rsch & strategic planning.

BBDO—A. Rosenshine, chmn-ceo; P. Dusenberry, vice-chmn, exec creative dir; T. Clark, president-coo.

• Detroit—W. Kelly, exec vp-genl mgr; R. Schneider, senior vp-finance & admin; P. Swiecicki, vp-finance; D. Goschka, vp-legal counsel. Dodge Car—W. Oswald, exec vp-mgmt super-car; H. Grusche, senior vp-car; B. Williams, G. Berg,vp-acct super-car; D. Williams, vp-acct super, forward planning. Dodge Truck—K. Steadman, senior vp-mgmt super-truck; M. Graham, vp-acct super-truck. Research—T. Neman, senior vp-dir, rsch & planning; T. Townsend, vp-associate rsch dir. California/Imports/Direct Connection—E. McCarthy, senior vp-exec media dir; T. Zahrfeld, vp-media dir, car; K. Ritchie, vp-media dir, truck; S. Stoll, vp-broadcast media dir. Creative—R. Howting, creative dir-car; J. Gahagan, creative dir-truck; R. Folster, vp-associate creative dir. Dodge Dealer Assn.—A.D. Jones, senior vp-mgmt super, Dodge Dealer Adv Assn.; D. Robinson, natl super.

• Los Angeles—D. Christopher, acct super; G. Campbell, pr.

Ross Roy Inc., Detroit—corp merchandising, corp adv for Chyrsler Marine, Chrysler service & parts operations, Chrysler Fleet operaions, Chrysler Institute, Chrysler diversified operations—Glen W. Fortinberry, chmn-ceo; Richard Ward, exec vp-dir merchandising; James Vehko, senior vp-group acct super; John Oliver, senior vp-genl mgr-Ross Roy Productions; Donald Baldwin, Thomas Kemper, James Sanfilippo, Don Scheich, vp-group acct supers; Robert West, vp-acct super; George Abdullah, Clark Reid, Rex Smith, Michael Webster, acct execs; Gerald N. Moody, senior vp-mktg services; Robert Steiger, exec vp-creative dir; Francis Dattilo, Michael Labiak, senior vp-group creative dirs; Sidney Houghton, senior vp-creative dir.

RANK 73

Clorox Co.

Oakland, Cal.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	1,050	975	7.7
Net income	86	80	7.5
Advertising	110	91	19.9

Clorox Co., whose product of the same name is becoming less and less dominant in the company as its Lucite paints, Hidden Valley Ranch salad dressings, Liquid-plumr and various charcoal products continue to grow, was the 73rd largest national advertiser with an estimated spending of $109.6 million in 1984.

Total advertising, representing an increase of 19.9% in the fiscal year ended June 30, 1985 over a restated $91.4 million for fiscal 1984, outpaced earnings, which rose 8% to $86.1 million over the previous year as sales rose 8.2% to $1.05 billion.

During 1984, Clorox expanded its ad budget primarily to boost new products or line extensions—an activity also reflected in the $25 million spent on research and development, up 30% from fiscal 1984. Of the total outlay for advertising, Clorox spent $81.7 million in the nine measured media tracked in this issue, up 31.8% from the previous year.

New products at Clorox included line expansion of the newly gained Lucite paints; national rollout of Fresh Step cat litter; flavor, liquid and reduced calorie additions to the Hidden Valley Ranch salad dressing line; a microwave browning agent under the Kitchen Bouquet brand, and continued testing of Fresh Scent, a scented version of Clorox bleach.

Clorox brand line, pacesetter in the company's core household products business which accounted for 70% of total sales in 1984, covers Clorox 2 bleach, regular liquid bleach, pre-wash spray and Tilex tile cleaner. The brand continued to win the largest ad expenditures among company products with $25.2 million in measured spending in the six media monitored by Leading National Advertisers. That was an 8.2% increase over 1983 media expenditures for the brand.

Clorox is market leader in the $500 million-plus retail bleach business with a 49.9% share in dollars. Individually, its liquid bleach has a 50% dollar share of the liquid bleach market, and Clorox 2 dry bleach holds a 42.6% dollar share of all fabric bleaches.

Clorox continues to test Fresh Scent, a sweeter smelling version of its well-known Clorox liquid bleach. Test cities are Dallas, Memphis, Wichita, Kansas City and Oklahoma City.

Tilex mildew stain remover, introduced in 1981, remains the leader in its category.

Media spending for Tilex dropped 8% to $2.3 million in 1984.

After testing two different versions of Clorox 2 dry bleach, the company introduced Clorox 2 containing an "advanced whitening formula" in 1984. Ads supporting the launch claim it "whitens like a liquid bleach, but is safe on all colors."

Following two efforts at market testing, Clorox withdrew Wave, a heavy duty dry bleach, from test after it failed to perform adequately. Wave competed against Vibrant, a Procter & Gamble brand that has been in test since 1981.

Other household products receiving sizable media backing were Liquid-plumr, a liquid drain cleanser, with $4.8 million in media spending in 1984, up 4.3% from the previous year, and Soft Scrub cleanser, $5.9 million in 1984, the same as in 1983.

Capitalizing on the success of its Hidden Valley Ranch salad dressing mixes, Clorox introduced a bottled version of its product nationally in the spring of 1984. The product first appeared in June, 1983, in three test markets. Already dominant in the dry mix salad dressing market, Clorox hopes its Hidden Valley name will translate to the rapidly growing pourable salad dressing category.

In 1985, the company introduced a Thousand Island flavor to its Original, Country Recipe and Garden Herb bottled varieties.

In March, 1985, Clorox expanded the Hidden Valley Ranch line further. The company introduced a reduced-calorie salad dressing mix.

Clorox spent $13.3 million on Hidden Valley Ranch dips, dressing mixes, salad dressing and sauce mixes in 1984, according to six-media figures provided by LNA. The company spent $5.6 million on the line in 1983 when sauce mixes and dips were not included in the line.

The company expanded further into the food products area in late 1984. Buoyed by increasing microwave usage (microwaves are expected to be in more than 50% of U.S. households by the end of 1985), Clorox became the first major company to market a microwave browning agent nationally. The company introduced Kitchen Bouquet microwave browning spray in December, 1984, backed by magazine, newspaper and tv advertising. The spray is a line extension of its Kitchen Bouquet browning seasoning sauce and gravy aid.

In fiscal 1985, the architectural coatings business (paint and stains) contributed 12% of total sales. The division at Clorox is basically three years in the making, beginning with Clorox's purchase in 1981 of Olympic and Carver Tripp paints and stains from Comerco Inc. and followed by the acquisition in 1983 of marketing rights to Lucite from Du Pont, the latter of which brought Clorox into the interior paint market. Measured advertising for a full year of promoting Lucite was $4.4 million in 1984, up from $324,200 for partial-year 1983. The Olympia brand drew $4.8 million in measured media in 1984, off 29.4% from the previous year.

While the paint and stain lines continue to be profitable, earnings for the division fell because of higher costs associated with new distribution and marketing programs. Combined shipments of the Olympic and Lucite brands of stains and paints were up modestly for the year and were improving at yearend. National market for architectural coatings is $4 billion (retail).

In a consolidation move in 1985, Clorox shifted its Lucite paint account from N W Ayer, New York, to Needham Harper Worldwide, Chicago, which also handles several other Clorox brands.

Clorox also made a major push into the $260 million cat box filler market, introducing nationally in 1984, Fresh Step, an odor-controlling cat litter. The clay-based product, which features a microencapsulated fragrance released whenever a cat steps on or scratches the litter, had been in various test markets since the fall of 1981.

Fresh Step is Clorox's second entry in the category, one of the fastest growing among pet products. Its first, Litter Green, an alfalfa-based cat litter introduced in 1971, has lost share. Clorox denies speculation it may dump the brand. Fresh Step drew $6.6 million in 1984 in measured spending against only $363,900 during tests in 1983. Litter Green spending was far off the new product's mark, with $299,300 in 1984, up 50%.

The company continues to update existing products to keep abreast of changing consumer preferences. In April, 1985, it came out with Kingsford with mesquite, and Clorox is expanding into new household product categories.

In August, 1985, it began testing Act, a heavy-duty laundry detergent combining the active ingredients of both powder and liquids, in a sealed plastic pack, dissolvable form, in Bakersfield, Cal.

During the year, group vp John W. Collins was appointed to the new position of exec vp-operations and Sheldon N. Lewis, group vp, to the new post of exec vp-technology. The company sold in March, 1985, its 75% interest in Sunpole-Clorox Co. Ltd. of Japan to its original Japanese owners. Clorox, in much of its overseas activity, particularly in the developing world, concentrates on building its bleach business. The sales of the Japanese company, a household products operation, is in keeping with that corporate strategy.

In July, 1985, the company signed agreements to build bleach plants in Turkey and Colombia. The company currently is building plants in North Yemen and Egypt.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	367	397
Magazines	13,553	6,270
Network cable	2,813	2,094
Spot tv	12,755	10,154
Network tv	51,499	41,384
Spot radio	426	529
Network radio	243	1,137
Outdoor	1	0
Total measured	81,657	61,963
Total unmeasured	27,943	29,447
Estimated total	109,600	91,410

CLOROX CO.
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Marketing Personnel

John W. Collins, exec vp-operations
R.C. Richter, vp-Olympic Home Care prod
W.E. Lynn, vp-Kingsford prod
G.C. Sullivan, vp-household prod
A.W. Biebl, vp-foodservice prod
David L. Goodman, vp-public affairs & mktg services
R.P. Johnson, adv mgr-household prod
M.A. Perry, adv mgr-Kingsford prod
K.S. Koelman, dir-mktg, Clorox foodservice prod
D. Rice, mktg mgr-Olympic Home Care prod
R.H. Bolte, dir-media operations

Advertising Agencies

Anderson/Miller Communications, San Francisco—Hidden Valley Ranch, Domani Italian Food Products, Pitch 'R—Kim Rothstein, acct super.

Foote, Cone & Belding/Honig, San Francisco—Clorox bleach, Clorox 2, Formula 409, Soft Scrub, Twice As Fresh, Tilex—Kathy Ames, mgmt super.

Needham Harper Worldwide, Chicago—Clorox Pre-Wash, Liquid-plumr, Lucite paints, Kingsford charcoal—S. Sharpe, mgmt super.

Scott Inc., Milwaukee—Moore's frozen foods, Clorox liquid bleach, Formula 409 for food service industry—Charles E. Reynolds, mgmt super.

Young & Rubicam, San Francisco—Matchlight, Kitchen Bouquet, Fresh Step, Hidden Valley Ranch dry salad dressing, bottled Hidden Valley Ranch, Litter Green, Olympic & Carver Tripp stains—Craig Branigan, mgmt super.

RANK 20

Coca-Cola Co.

Atlanta

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Sales	7,364	6,829	7.8
Net income	629	559	12.5
U.S.			
Sales	4,566	4,071	12.2
Operating profits	550	499	10.3
Advertising	343	285	20.6
Division sales			
Soft drinks	5,015	4,695	6.9
Foods	1,465	1,285	14.0
Entertainment	885	850	4.2

Coca-Cola Co. showed its aggressiveness in 1984 and so far in 1985 that marks the style of Roberto C. Goizueta, who took over as ceo four years ago: It has bought two major tv production companies, turned around its Columbia Pictures with movie winners such as "Ghostbusters," begun licensing the Coca-Cola name on more than a dozen products, including a Murjani International line of casual clothes, and unveiled two major new soft drinks.

The Atlanta-based company, the nation's 20th largest advertiser, increased its U.S. advertising spending 20.6% in 1983, to an estimated $343.3 million in 1984. The company spent $535.8 million worldwide on media advertising, up 15.6% from the previous year.

U.S. sales in 1984 increased 12.2%, to $4.57 billion, 62% of worldwide sales of $7.36 billion. Worldwide earnings of $629 million represented a boost of 12.5% over 1983. That pace continued into the current year. In the second quarter, earnings of $196.1 million increased 6% over the corresponding year-earlier period, and sales were $2.04 billion, up 5.7% from the previous year. Revenue growth overseas was at a rate of 11%.

The once-staid company also tinkered with the 99-year-old Coca-Cola formula, replacing it with a sweeter New Coke in late April this year, before electing in mid-July to reintroduce the old formula as Coca-Cola classic. Introduction of the reformulated flagship brand, created to meet the "Pepsi challenge," has been the marketing story of the year so far in 1985.

But by the end of the third quarter, the increased marketing expenses related to the New Coke and then the reintroduction of the old formula led Coca-Cola to project operating income for 1985 would be "up slightly or flat for the year." Sales of Coke's three sugar-sweetened colas increased by more than 10% during July and August, 1985. However, international sales were being affected by unrest in South Africa and Nigeria, two key African markets. Competition in the domestic citrus beverage market also was affecting earnings.

Coca-Cola apparently came out of its odd marketing maneuvers unscathed, with neither Coke nor its major competitor, Pepsi, shifting market shares significantly, according to industry analysts. "I expect them each to end up in about the same place," Prudential-Bache analyst George Thompson says. "If anything, Coke may have a marginal advantage because it has a stronger diet drink."

According to *Beverage Industry* magazine, Coke commanded 21.8% of the domestic soft-drink market in 1984, down from 22.5% in [illegible]. Pepsi had a 17% share in 1984, up from 16.9% in 1983. Diet Coke, just 2 years old, was in third place by the end of 1984, with 5.1%, edging past 7UP, also with 5.1%. Sprite had a share of 3.3%, compared with 2.8% in 1983; Diet Coke Caffeine Free 0.9% vs. 0.5% in 1983, and Caffeine Free Coke, 0.6% vs. 0.5% in 1983.

All Coca-Cola soft drinks contributed to a market share of 36.4% in 1984, up from 35.3% in 1983 based on a case sale increase of 9.3%.

Last year was a respectable one for Coca-Cola, with all of its business sectors—soft drinks, food and entertainment—showing sales increases. The soft drink sector, with $5.02 billion worldwide sales, up 6.9% from 1983, represented 68% of total sales at Coca-Cola. The segment's operating income of $879.6 million in 1984 was up 2.4% from the prior year and represented 83.2% of total company operating income.

Aggressiveness was the theme in Coca-Cola's soft drink advertising. Among the 1984 advertising highlights were a $20 million Olympics budget for Coca-Cola soft drinks and a five-week tv blitz last November and December, during which ads for Coca-Cola drinks were aired an average of once every three hours.

Responding to Pepsi-Cola's appeal to youth through the signing of rock superstars Michael Jackson and Lionel Ritchie for multi-million-dollar endorsement contracts, Coca-Cola aired its own youth-oriented tv spots. The company put $48.3 million of measured advertising into the old standby, Coke, in 1984, more than $45.4 million of it going to network and spot tv. This compares with $36.6 million for the brand in 1983, some $34.4 million divided between network and spot tv.

A measure of the rivalry between the two titans of soft drinks—Coca-Cola and Pepsi-Cola—has been the testiness of the two companies toward each other's commercials. Last December, Pepsi-Cola accused Coca-Cola of misrepresenting a claim in commercials that its 100% NutraSweet Diet Coke was available in all markets. Coca-Cola took aim at Pepsi-Cola commercials for claiming all Diet Coke contained saccharin.

The fireworks continued this year after Coca-Cola introduced the reformulated Coke in April. Coca-Cola dropped out of tv sponsorship for the July Live Aid concert when it became apparent that other soft drink companies, including Pepsi-Cola, also would sponsor.

Among the Coke spots, handled by McCann-Erickson, were variations of the "Coke is it" theme, with a new subtheme, "The one you grew up with," featuring youth-oriented vignettes, such as a teen ager getting his first driver's license and a boy learning baseball skills. There were also special-market commercials, including one featuring singer Julio Iglesias.

The same agency also handled the New Coke campaign this year, with commercials such as the one featuring comedian Bill Cosby saying Coke tastes better than ever.

The company continued its Diet Coke spots, using the theme "It's One of a Kind," handled by SSC&B. Coca-Cola doled out $42.2 million in measured advertising for Diet Coke last year, again the bulk of it for tv. That was up from $21 million in 1983, the product's debut year.

The Tab account moved to SSC&B as well, after McCann's "Let's Taste New Tab" campaign was widely misinterpreted as sounding like, "Less taste, new Tab."

Tab line's 1984 ad spending was $28.4 million, up 15% over the previous year.

The company began a national rollout of new Cherry Coke in mid-July, 1985. The national introduction took place several months ahead of schedule after successful testing in four geographically dispersed markets with $15 million in support spending. In test market are a reformulated Fresca, a repackaged Mello Yello and a Minute Maid orange soda with 10% real orange juice.

Coca-Cola's foods sector, based in Houston, had another profitable year, with sales up 14% to $1.46 billion, or 19.8% of total company sales. The food sector performed better on the income side than the soft drinks segment, increasing operating income 13% to $137.7 million in 1984, which is 13% of total company operating income of $1.06 billion.

Minute Maid maintained its lead position in the orange juice market, with a 24% share. Actor Richard Thomas, his wife, their 8-year-old son and 3-year-old identical triplets were introduced last December as the new Minute Maid family.

Measured ad spending for the 14 Minute Maid products was up in 1984 about $1 million, to $14.6 million.

Coca-Cola expanded several product lines last year in its food sector, including the introduction of Five Alive citrus beverages in aseptic packages and the national expansion of Bright & Early breakfast beverage in 64-oz. cartons.

The Columbia Pictures subsidiary—Coca-Cola's entertainment segment—was a disappointment in 1983, but it made significant strides in 1984, with operating earnings of $121 million, a 34% increase, and sales of $884.7 million, up 4.2%.

Much of the credit goes to several hit movies. "Ghostbusters," the No. 1 comedy movie ever, grossed more than $220 million. Another major release was "Karate Kid," which grossed more than $90 million.

Columbia's measured ad spending dropped to $33.4 million from $40.6 million in 1983. Some $30 million of that was spent on network tv, with the remainder going to spot tv, outdoor and magazines. "Ghostbusters" and "Karate Kid" each received about $4.5 million in measured media to lead the promotion spending. "Starman" received $3.7 million; "The Razor's Edge," "Sheena," "Moscow on the Hudson," "Micki & Maude," "Body Double," "Against All Odds" and "A Soldier's Story" each received spending in the $2 million range.

In June, 1985, Coca-Cola bought the tv production company, Embassy Communications and its affiliate Tandem Productions, for $485 million. Both were controlled by Norman Lear, with Embassy being the tv production operation and Tandem primarily a holding company for Mr. Lear's tv series library. Frank Biondi, exec vp of the entertainment sector, says the company is looking to expand in various areas, including film, tv and production, music production, publishing and tv stations. The company sold its pasta company, Ronco Enterprises Memphis, to Borden Inc. in October.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	6,747	6,037
Magazines	10,794	8,582
Network cable	2,756	2,605
Spot tv	64,976	70,673
Network tv	140,104	95,889
Spot radio	13,932	8,048
Outdoor	3,620	3,284
Total measured	242,929	195,118
Total unmeasured	100,371	89,637
Estimated total	343,300	284,755

COCA-COLA CO.

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Coca-Cola USA

Marketing Personnel

Brian G. Dyson, senior vp, Coca-Cola Co., president, North American Soft Drink Business Sector
Sergio Zyman, senior vp-mktg, Coca-Cola USA
Albert E. Davis, vp-graphics & design services, Coca-Cola USA
Clare Bisceglia, dir-adv & production services
William L. Schermerhorn, dir-mktg, cola brand
C. Patrick Garner, group brand dir-citrus brands
Mike Beindorff, group brand dir-diet brands
Kenneth F. Craft, dir-promo services

Coca-Cola Foods

Marketing Personnel

E.V. Amoroso, senior vp, Coca-Cola Co., president-foods business sector
T.C. Cleveland, senior vp-coffee & foodservice
T.J. Haas, senior vp-sales
S.M. Brody, F.E. Blod, vp-mktg planning
H.S. Robinson III, president-ceo, Coca-Cola Canada Inc.
D.W. Valentine, dir-mktg services

Advertising Agencies

Burrell Advertising, Chicago—Black consumer adv—Tom Burrell, president; Sarah Burrough, senior vp; Freida Curry, acct super; Raynard Hall, asst acct exec; Donna Beasley, acct exec.

Castor Spanish International, New York—Hispanic adv—Castor Fernandez, president; George Reynardus, vp-genl mgr.

Kenyon & Eckhardt, New York—Ramblin' root beer, Sugar-Free Ramblin' root beer—Tom McDonough, acct mgr; Susan Popper, acct exec.

Marschalk Co., New York—Sprite, Diet Sprite, Mr. PiBB, Sugar-Free Mr. PiBB, Minute Maid orange soda, new prod—Eric Einhorn, exec vp; Dana Tower, Rob Petersen, Peg Jump, acct supers; Susan Gold, acct exec; Will Symon, asst acct exec; Shelley Brauner, acct coord.

McCann-Erickson, Atlanta & New York—Coca-Cola, caffeine-free Coca-Cola, Fanta—William C. Thompson Jr., exec vp, McCann-Erickson Worldwide; John Dooner, exec vp, McCann-Erickson, New York; David Clapp, senior vp-mgmt rep, McCann-Erickson, New York; Larry Glucs, acct super-business mgr.

McDonald & Little, Atlanta—Fresca and Mello Yello—Michael McDonald, chmn of the board; Bob Jones, president; Joseph Lonsdorf, exec vp-dir of client services; Karen Giddens, acct exec.

SSC&B: Lintas, New York—Diet Coke, caffeine-free Diet Coke, Cherry Coke, Tab line—Steve Norcia, exec vp-acct services; Rudy Bechtel, senior vp-mgmt super; Michael Skoletsky, vp-acct super; Becky Broers, acct exec; Matt Lake, acct exec; David Alport, asst acct exec. TAB—Spencer Plavoukos, chairman-ceo; Don Lenehan, vp-mgmt super; Neal Wilkins, acct super; Sheila Dailey, acct exec.

COLUMBIA PICTURES INDUSTRIES INC.

New York

Marketing Personnel

Francis T. Vincent, Jr. senior vp-Coca-Cola Co., president-Entertainment business sector, chmn-ceo-Columbia Pictures Industries Inc.
Richard C. Gallop, president-coo
Peter S. Sealey, exec vp, corp mktg dir
Guy McElwaine, chmn-ceo, Columbia Pictures
Steve Sohmer, president-coo, Columbia Pictures
John Balson, president-Columbia Pictures domestic distribution & mktg group
James R. Spitz, president-Columbia Pictures domestic distrib
John Butkovich, senior vp-media
D. Frank Jones, senior vp-mkt rsch
Steven Kasloff, senior vp-creative dir, adv
Katherine Orloff, senior vp-domestic publicity & promo
Shelly Hocron, mktg consultant
Lenore Cantor, vp-rsch
Judith Schwam, vp-publicity, promo & field operations
Mark Urman, exec dir-east coast publicity
Diane Charbanic, senior dir-media, adv
Charles Bigbee, dir-print production
John C. Flinn, dir-industry relations
Jack Friend, dir-co-op adv
Judi Schwamm, dir-natl publicity & promo
Patrick D. Walters, dir-adv admin

Columbia Pictures

Burbank, Cal.

Television Group

Marketing Personnel

Herman Rush, president
Barbara Corday, president-Columbia Pictures Television
Kay Dangaard, vp-adv, publicity, promo
Joseph Indelli, president-Columbia Pictures Television, domestic distribution
Steve Astor, vp-adv, publicity, promo
David Mumford, vp-rsch

Columbia Pictures

Merchandising

Lester J. Borden, vp-genl mgr

Columbia Pictures

Publications

Frank J. Hackinson, president
John Kelleter, vp-mktg

Advertising Agencies

Diener/Hauser/Bates, New York—Norman Trell, exec vp-exec media dir; Eugene B. Cofsky, president-West Coast div.

Ogilvy & Mather, Los Angeles—Mary Ellen Stoetzel, vp-mgmt super; Jules Fine, exec vp-dir, mtkg services.

SSC&B: Lintas, New York—Steve Norcia, exec vp.

McCann-Erickson, New York—Gordon Link, exec vp.

Colgate-Palmolive Co.

RANK 30

New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	4,910	4,864	0.9
Net income	72	198	-63.8
U.S.			
Sales	2,343	2,209	6.1
Operating profits	181	199	-8.9
Advertising	259	270	-4.1
Division sales			
House hold	3,369	3,321	1.4
Health care	803	800	0.4
Food	482	512	-5.9
Consumer	226	231	10.7

Colgate-Palmolive Co., New York, which is selling its food, athletic equipment and textile business to concentrate on its household and personal care product strengths, pared U.S. advertising in 1984 to an estimated $258.7 million, down 4.1%.

The major decline at Colgate, the nation's 30th largest advertiser, was in what it does best, the dentifrice market—Ultra Brite, Dentagard and Colgate toothpastes. Measured spending dropped 22.5% to $27 million. Most of the spending was for the Colgate brand which came close to unseating Procter & Gamble's flagship Crest brand as No. 1 in the U.S. market.

Worldwide sales in 1984 rose a scant 0.9% to $4.9 billion. Net income fell sharply to $72.0 million, down 63.8% from 1983. The decline in earnings reflected heavy marketing spending, the relatively high value of the U.S. dollar, intense price competition and a restructuring program aimed at improving productivity and reducing manufacturing costs worldwide. Earnings also were hit by an after-tax charge of $114 million that accounted for the costs of the restructuring program.

U.S. sales in 1984 rose to $2.34 billion, up 6.1% from 1983, but U.S. operating profit declined 8.9% to $181.1 million. In Europe, sales of $1.1 billion, dropped 6%, and operating profit declined 44.6% to $25.7 million. In the rest of the world, Colgate-Palmolive saw sales slip 1.2%, but it increased its operating profit by 4.6%.

The pattern continued into the current fiscal year. In the first half of 1985, worldwide sales fell 1.3% to $2.49 billion. Income from continuing operations fell 5.8% to $97 million.

In July, Colgate-Palmolive, long rumored on Wall Street to be a takeover target, announced plans to divest businesses outside of its core household-products categories. These include Bike Athletic Co. and Etonic units, which make athletic equipment, and Riviana Foods, the world leader in packaged rice. The company plans to keep its Hill's Pet Products business, however. The company also will sell the medical-electronics and textile operations of its Kendall unit.

The operations to be sold accounted for about 15% of 1984 sales and 22% of 1984 operating profit. Eric J. Larson, investment analyst at Paine Webber, New York, says the divestiture is a "long-range plus" for the company because Colgate is "getting rid of lower gross-margin business that takes a lot of time.

Now they can become a more focused management team and concentrate on household products."

Mr. Larson says he expects advertising as a percent of sales to rise dramatically because Colgate had not been spending nearly as heavily on the lines to be divested as on its household-products items.

On Aug. 1, 1985, Colgate-Palmolive launched an effort to buy back up to 15 million of its shares (18% of outstanding shares) at $29.50 a share, a slight premium over the market price. The buyback could cost $442.5 million.

Reuben Mark, who became ceo in mid-1984, denies takeover speculation and pushed the company into the divestiture. Sir James Goldsmith, the British investor, was known to be one of the suitors in recent months.

The company's strategy is to concentrate on lines "we know best and in which our market position, expertise and technology create the best opportunity," he says. As for the common stock buyback, he says the company believes its shares were undervalued.

Mr. Larson says Colgate-Palmolive under Mr. Mark's leadership is turning out to be a much better marketing company and much more profit-oriented than in the past. One thing Wall Street looks for under Mr. Mark is an acceleration of new products. The company at mid-year 1985 was testing a new automatic dishwashing detergent (Bright Side) and a liquid extension of its Fab laundry detergent with fabric softener. "I believe they [Colgate] are working on a lot more products," says Mr. Larson. "They have bumped research and development spending to 1.7% of sales. They've done a lot of positive things. But it still takes a lot of time to get a good flow of new products from increased r&d spending."

The company shocked the advertising world in 1983 when it lured Young & Rubicam away from P&G as part of a move to consolidate most of its advertising with three agencies (Y&R, Ted Bates Advertising/New York and Foote, Cone & Belding, New York). Agency shifts in 1984, by comparison, were relatively minor. In May, 1984, Colgate abandoned a long-term relationship with William Esty Co., New York. Y&R picked up Ajax work that had been handled by Esty, and FCB got Fab and Ultra Brite.

In measured advertising, spending for all Colgate-Palmolive brands fell 8.3% in 1984 to $96.8 million. Colgate's drive to regain market share in toothpaste, where it has run a distant second to P&G since the mid-1950s, has paid off.

In 1984, Colgate backed its regular and gel dentifrice lines with more than $27 million in measured spending, down from $34.8 million in 1983. Despite reduced spending, by yearend 1984, the Colgate toothpaste brand line was within three share points of Crest, according to warehouse withdrawal figures. Mr. Larson of Paine Webber says that as of mid-1985, Colgate had attained a share of about 31% vs. P&G's Crest line's 32%. Beecham's Aqua-fresh holds a 12% share, Lever Bros.' Aim a 9% share, Lever's Close-Up, 8%. None of the other brand exceeds 4%, with Minnetonka's Check-up, the first to be in a pump dispenser, holding a 1-2% share.

While spending on the Colgate toothpaste line was down as a whole, measured spending on combo ads for Colgate's regular and gel toothpaste soared to $25.6 million, according to six-media figures provided by Leading National Advertisers. Colgate spent only $12.2 million for the tandem promotion in 1983. Colgate has all but abandoned spending for its Ultra Brite brand, dropping its measured spending to $1.5 million in 1984 from $3.5 million in 1983.

Dentagard, in tests in 1983 and 1984, is hitting the market in a big way this year with a $40 million national rollout. Aimed at adults concerned with gum care more than cavities, Dentagard is pitched by agency Young & Rubicam as the "only fluoride toothpaste accepted by the American Dental Assn. that has been proven to help fight gingivitis." The Dentagard brand beat P&G's Crest with tartar-control formula into the national market—a pattern that has helped Colgate gain giant strides in the $1 billion toothpaste market.

Colgate also outraced P&G to the national market with its gel extension and then with the introduction both of its regular and gel versions in pump dispensers.

In laundry detergents, Colgate more than doubled spending for Fab with fabric softener, its leading brand, with a 5.3% national share in its market. Measured spending jumped to $13.4 million in 1984 from $5.3 million. It also rolled out big guns in support of its Dynamo Action Plus liquid laundry detergent, with a 3.4% of the market, boosting measured spending to $9.9 million from $5.1 million. Fresh Start concentrated laundry detergent spending fell to $8.3 million from $11.6 million in 1983.

Measured spending for Palmolive dishwashing liquid was virtually unchanged for 1984 at $9.9 million, yet the company is thought to have boosted its share of the market for this product from about 12% in 1983 to more than 15% in 1984.

Irish Spring deodorant soap, which was reformulated and repackaged late in 1984, was backed by $5.8 million in measured spending in 1984, down about 12% from 1983. But this trend is to be reversed in 1985, with the company pouring an estimated $10 million into the product, which has about 5.3% of the category.

Ajax liquid cleaner got the biggest share of spending on this brand in 1984 at $3.6 million, down from the $7.1 million Colgate pumped into this item in 1983. Ajax dishwashing soda was backed with $2.7 million of measured spending; the line was not reported separately in 1983. Over-all spending on Ajax brands last year declined about 42% to $6.3 million.

Colgate also pulled back on its Curad bandage line, reducing measured expenditures about 26% to $2.9 million.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,194	1,664
Magazines	4,194	8,478
Network cable	1,198	2,019
Spot tv	21,354	29,596
Network tv	68,570	59,915
Spot radio	263	3,926
Outdoor	10	0
Total measured	96,782	105,598
Total unmeasured	161,949	164,195
Estimated total	258,731	269,793

COLGATE-PALMOLIVE CO.

300 Park Ave.
New York, N.Y. 10022
(212) 310-2000

Corporate Personnel

Reuben Mark, president-ceo
Keith Crane, chairman
William W. Powell, senior exec vp-chief devel officer
William S. Shanahan, senior exec vp-chief of operations, C-P worldwide
J. Dale Sherratt, senior exec vp-C-P; chief of operations-ceo, Kendall Co.
John M. Watkins, senior exec vp-chief strategy & business devel officer
A. Courtenay Shepard, vp-genl mgr-C-P U.S.

U.S. MARKETING

Marketing Personnel

A.A. Allen, vp-creative services
R.E. Blanchard, vp, dir-mktg
A.X. DeNisco, dir-mktg devel & planning
J.A. Uzzolina, J. Benfield, L. Deming, R. Galan, category mgrs
P. Amershadian, E. Dohn, J. Fischer, J. Leach, group prod mgrs

Advertising Agencies

Ted Bates Advertising, New York—Colgate toothpaste, Palmolive dishwashing liquid, Palmolive soap, Colgate toothbrushes, Palmolive Rapid Shave—Roger Pisani, exec vp; Geoffrey L. Clarkson, senior vp-mgmt rep; Don Byer, David Watson, Don Smith, vp-acct supers; Paul McCormick, Steve McDonald, Ted Powell, acct execs; Bill Hallowell, Lynn Hannon, asst execs; Ron Drake, intl coord; David Nes, mgmt trainee.

Foote, Cone & Belding, New York—Dynamo detergent, Fab detergent, Curad bandages, Ultra Brite toothpaste, Fluorigard dental rinse, new prod—Charles Taney, exec vp-worldwide acct dir; James Bonner, senior vp-group mgmt dir; Charles Ballard, acct exec; John Seidl, asst acct exec; Bruce Bollinger, asst acct exec.

Siboney Advertising, New York—Hispanic advertising for Colgate toothpaste, Fresh Start, Fab, Palmolive dishwashing liquid, Palmolive soap, Irish Spring, Ajax dishwashing liquid, Ajax all purpose cleaner, Ajax cleanser, Fabuloso—Gary McBride, vp-genl mgr; Lynette Botsford, Carla Trum, acct execs.

Young & Rubicam, New York—Fresh Start detergent, Irish Spring soap, Ajax all purpose cleaner, Ajax dishwashing liquid, Dentagard toothpaste—Tim Pollak, senior vp-group dir; Bob Fane, senior vp-mgmt super; Phil Asche, vp-mgmt super; John Leonard, Mary Ellen Kenny, Tony Brown, acct supers; Jeff Frankum, Ginny Russo, Mark Davis, Cindy Bedrosian, acct execs.

ASSOCIATED PRODUCTS DIVISION

L. Karl Hollering, vp-genl mgr

Advertising Agency

Ted Bates, New York—Paul McCormick, acct exec.

STERNO, INC.

New York, N.Y.

Marketing Personnel

A.P. Chadourne, business dir
F.J. Groyano, mktg mgr
F.S. Condiotte, sales mgr

Advertising Agency

Stern Walters/Earl Ludgin, Chicago—M.B. Friend, acct exec.

SPORTS & RECREATION

Bike Athletic

Knoxville, Tenn.

Marketing Personnel

James R. Corbett, president
Randy Black, dir-mktg & adv

Etonic Inc.

Brockton, Mass.

Marketing Personnel

Kenneth E. Snyder, president
John R. Larsen, vp-strategy planning & prod devel

Advertising Agencies

HBM/Creamer, Providence, R.I.—Etonic—Guy Corcoran, vp.

Lavidge & Associates, Knoxville, Tenn.—Bike Athletic—Hal Ernst, acct exec.

KENDALL CO.

Hospital Division

Boston, Mass.

Marketing Personnel

T.E. Tierney, group vp
M.B. Cogbill, vp
K. Wester, senior adv mgr
J. Dawson, adv mgr

Advertising Agency

Rizzo, Simons & Cohn—Phil Mathews, acct exec.

Industrial Division

Marketing Personnel

F.J. Zeitvogel, group vp
D. Arena, vp-industrial
J.H. Jacobsmeyer, vp-fabrics
R.C. Gockelman, dir-Special Ventures Group
D. Battelle, senior adv mgr

Advertising Agency

Ingalls Associates—Linda McDonald, acct exec.

Consumer Division

Marketing Personnel

E.E. Hinds, vp-genl mgr
B. Holt, adv mgr

Advertising Agency

Humphrey Browning, MacDougall, Boston—Ann Manning, acct mgr.

International Division

C.P. Bruen, vp

PRINCESS HOUSE

North Dighton, Mass.

Marketing Personnel

Robert J. Haig, president
John Galazin, vp-sales & mktg
Betty Bowes, dir-mktg

Advertising Agency

Leonard Monahan & Saabye—Cathy Ottaviano, acct super.

RIVIANA FOODS

Houston, Tex.

Marketing Personnel

Frank A. Godchaux III, chairman
Joseph A. Hafner Jr., president-ceo
Charles R. Godchaux, president-Riviana Rice USA
Elliot H. Wallin, senior vp-sales & mktg.

Riviana Rice USA
Christopher L. Haines, vp-mktg, Riviana Rice USA
Thomas M. Forshee, natl sales mgr, Riviana Rice USA
Robert C. Wheeler, president, Hill's Pet Products
Gary Harrison, vp-intl, Hill's Pet Products
David Geier, dir-food mktg, Hill's Pet Products
J. Richard Woodall, dir-sales, Hill's Pet Products
Tim Phillips, D.V.M., prescription diets prod mgr, Hill's Pet Products
Jim Glassford, science diets prod mgr-Hill's Pet Products
James C. Humphrey, vp-Pet Chemicals
James L. Means, dir-mktg, Pet Chemicals
Robert L. Davison, Professional Products prod mgr, Pet Chemicals

Advertising Agencies

Bloom Agency, Dallas—Riviana rice, Pet Chemicals—John Cox, vp-president, acct super.

Harmon Smith Advertising, Kansas City—Hill's Pet Products—Marc Ford, acct exec.

Adolph Coors Co.

RANK 55

Golden, Colo.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	1,263	1,110	13.7
Net income	45	89	-49.9
Advertising	139	119	17.0
Division sales			
Beer	938	947	-1.0
Other	195	163	19.5

Adolph Coors Co., Golden, Colo., the nation's 55th largest advertiser, spent an estimated $138.7 million on advertising in 1984, a 17% annual increase that was used largely in support of Coors' entry into nine states during 1984.

That expansion continues into 1985. In the first half of the new fiscal year, Coors entered an additional seven states, and in late August, 1985, Coors announced it would build a $70 million packaging plant near Shenandoah, Va., and considered building a $500 million brewery there as well.

Measured spending by the company in 1984 was $58.5 million, up 8.6% from 1983. Martin Romm, a beverage industry analyst for First Boston Corp. in New York, estimates Coors spent an additional $75 million in unmeasured advertising, which includes point of sale, signage and sports event promotion.

Coors' total ad expenditure does not include an additional $120 million attributed to marketing and general administrative costs. Part of that money was used to fund extensive pr efforts during 1984 aimed at improving relations with blacks and Hispanics.

With its first purchase of network prime time tv in late 1984, Coors entered the ranks of advertisers with mass exposure nationwide. By mid-1985, Coors and Coors Light were sold in all but six states. Its presence in 44 states and the District of Columbia justified Coors' decision to make its first major national print buy in July, an extension of its "Coors is the One" tv campaign.

Coors says it has been precluded from sponsorship of some sports events because the networks have exclusive contracts with the leading brewers. In July, 1985, Coors vice-chairman Joseph Coors wrote a letter to the Justice Department expressing sympathy with an effort by Stroh's to open such sponsorship to smaller breweries. The Justice Department issued a statement in late August backing the legality of the exclusive agreements in which advertisers (namely Anheuser-Busch and Miller) pay premium rates to be the only advertiser in a product class for a particular program.

Despite aggressive expansion, worldwide sales for the fifth largest brewer rose only 2% during 1984, and that increase was posted by Coors' nonbeer operations. Beer shipments dropped 4.4% to 13.1 million bbls. in 1984. Net beer business sales dropped 1% to $938 million in 1984. Coors blames the decline on intense competition and a drop in total U.S. beer consumption. Coors' total market share also slipped, from 7.6% in 1983 to 7.4% in 1984.

While sales were dropping, market expansion forced expenses higher, resulting in a drop in net income of 49.9% to $44.7 million in 1984. Coors reached deep into its pockets to pay for advertising to an ever-wider audience.

Coors has one of the highest advertising per barrel spending ratios of major brewers. The company spends $94.50 per bbl. in measured and unmeasured advertising. Last year, using Coors' figures, total spending on advertising and marketing was 11% of gross sales, up from 9.9% the previous year. That expense appears to be reaping rewards.

"For years, Coors has been spending more on advertising per unit than other brewers," says Alan Katz, beer industry analyst for Merrill Lynch, New York. "That strategy finally looks like it's succeeding."

According to Mr. Katz, 1985 shows promise of being Coors' first peak year since 1980. Coors' second-quarter earnings report shows a 25% increase in shipments over the second quarter of 1984. For the 12-week second quarter ended June 16, net income increased to $27.1 million, up 60.8% from the corresponding period a year earlier.

The company is projecting a 10% increase in total sales for 1985. If that projection holds, in 1985 the company will exceed the 14 million-bbl. mark for the first time.

According to Benj Steinman, executive editor of *Beer Marketer's Insights*, Coors' April rollout in New England has produced spectacular results, with Coors capturing 20% of the market in Massachusetts and New Hampshire. The Shenandoah packaging facility, to be on-line in the spring of 1987, will provide shipping efficiencies along with additional packaging capacity (2.5 million bbls per year) that Coors needs in building up the promising Northeast markets and in reaching the states yet to be penetrated—New York, New Jersey, Pennsylvania, Michigan, Indiana and Delaware—areas scheduled for entry by the end of the decade.

Coors has posted impressive results before in new areas—such as the Southeast—only to have market share decline to a mediocre level after the newness wore off. More important, according to Mr. Romm from First Boston, is that Coors' market share in established markets such as Texas and California has stopped declining, and the brewery's market share throughout the country appears to be stabilizing after slipping over the past five years.

He attributes that to more effective advertising, noting that the company has a higher profile than in the past.

Foote, Cone & Belding, Chicago, broke the "Coors is the One" campaign in February, 1985, featuring actor Mark Harmon quietly explaining the merits of Coors' brewing process. In April, Coors was the No. 1 beer for consumer recall, according to Ad-Watch, ADVERTISING AGE's consumer survey; in May it ranked No. 2 and in June, No. 3. Measured spending for Coors' flagship brand grew 23%, to $20.8 million in 1984.

Also contributing to optimism at the brewery was the continuing strength of Coors Light, which in the summer of 1985 ranked No. 2 in sales nationally in the low-calorie segment, although it was distributed in only 44 states. FCB, which also handles Coors Light, created the "Silver Bullet" theme in 1984. Measured spending on Coors Light went up 11% to $11.2 million in 1984.

Coors withdrew Golden Lager in the fall of 1984 after what Rob Klugman, vp-marketing for Coors, terms "disappointing results" in test marketing that began in April, 1983. It had been positioned directly against Anheuser-Busch's Budweiser.

Still seeking success with a heavier-tasting beer, in April, 1985, the company released Coors Extra Gold in 17 test markets. Mr. Klugman says Coors learned something from the Golden Lager experience, and it's taking a different approach with Extra Gold. The advertising, by Tatham-Laird & Kudner, Chicago, delivers a macho message and prominently displays the Coors name. TLK also handled Golden Lager.

In July, Coors began test marketing Colorado Chiller, a nonwine product, to tap the growing market for wine coolers. TLK is handling the test, being conducted in San Diego, Cal.; Orlando, Fla.; Dayton, O.; Lubbock, Tex.; Charlotte, N.C., and Spokane, Wash.

Last fall, J. Walter Thompson USA resigned the assignment for Herman Joseph's 1868, a superpremium, so the agency could pursue the Miller High Life account, which it won. Coors reassigned the business to FCB, which replaced JWT's "Best of Time" theme with "Labor of Love." Herman Joseph's continues to be available only in limited markets. Ad support for the brand rose 46% to $1.2 million in 1984.

FCB also handled advertising for George Killian's Irish Red Ale under the theme "Killian's Red, Instead." Killian's limited market territory was extended into New England in July, 1985. Killian's remains the poor sister among Coors brands in terms of measured advertising, which dropped by 40% to $376,000 in 1984.

Last fall, Coors' corporate advertising moved from Broyles, Allebaugh & Davis, Denver, to Evans/Bartholomew, also Denver. E/B also is handling the market test for Cocono candy bar, a product of Coors Food Products Co., made of a chocolate substitute derived from the company's beer-production by-products.

In May, the company was reorganized into two divisions—brewing and corporate. The reorganization was viewed as an opportunity to give more power to the next generation of the Coors family. William Coors, 68, became chairman-ceo while Joseph Coors, 67, became vice-chairman and chief operating officer. Peter Coors, 38, took over as president of the new brewery division.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	706	1,028
Magazines	380	29
Network cable	751	833
Spot tv	25,957	20,024
Network tv	11,218	9,746
Spot radio	18,927	21,578
Outdoor	522	616
Total measured	58,460	53,854
Total unmeasured	80,240	64,693
Estimated total	138,700	118,547

ADOLPH COORS CO.
Golden, Colo. 80401
(303) 279-6565

Marketing Personnel

Bob Rechholtz, exec vp-sales & mktg
Robert Klugman, vp-mktg
Gary Truitt, vp-mktg devel
Frank L. Spinosa, vp-sales
Gary T. Naifeh, Coors brand dir
Robert Fox, Coors Light brand dir
June Smith, Coors brand mgr
Gary Skovsted, Coors Light brand mgr
Jon Runge, George Killian's brand mgr
Karen Jess-Lindsley, Herman Joseph's brand mgr
Robert McBride, Coors Extra Gold brand mgr
Craig Guthrie, Colorado Chiller brand mgr
Terry Nausler, dir-mkt expansion
Charles B. Ish, dir-sales & mktg operations
Thomas A. Siefkes, dir-mktg services
Mark Reiss, dir-corp media

Advertising Agencies

Evans/Bartholomew, Denver—corp, Cocono food prod—Charles Bartholomew, president-Coors corp; Susan Matthews, acct super-Coors food prod.

Foote, Cone & Belding, Chicago—Coors, Coors Light, George Killian's, Herman Joseph's and expansion—Bill Melzer, senior vp-group mgmt super; Dale Smith, vp-mgmt super, Coors; Jim Gregga, vp-mgmt super, Coors Light; Lisa Baum, vp-mgmt super, expansion; Kent Vlautin, vp-assoc media dir; Mike Rogers, senior vp-exec creative dir.

GSD&M, Austin, Tex.—Hispanic markets—Steve Gurasich, president; Kim Gaynor; exec vp; Chuck Grady, senior vp; Raoul Rodriguez, dir-Hispanic services; Gary Brahl, creative dir; Hank Olguin, public affairs dir.

Tatham-Laird & Kudner, Chicago—Coors Extra Gold, Colorado Chiller wine cooler, new prod—John Wells, senior partner-group acct dir; Bill Ross, chairman-managing partner; Kirk Vorland, senior partner; Jim Hill, mgmt super; Roberta Borst, acct super.

Top 25 outdoor advertisers

Rank	Advertiser	Outdoor ad expenditures ($000) 1984	1983	% chng	as % of co.'s 1984 ad total
1	R.J. Reynolds Industries	$86,955	$88,920	(2.2)	12.8
2	Philip Morris Inc.	54,951	55,211	(0.5)	9.6
3	Loews Corp.	28,647	37,104	(22.8)	20.8
4	Jos. E. Seagram & Sons Co.	16,772	15,767	6.4	14.5
5	Batus Inc.	12,089	22,429	(46.1)	10.7
6	American Brands	11,894	12,950	(8.2)	8.9
7	Hiram Walker Inc.	7,760	7,559	2.6	N/A
8	National Distillers & Chemical Corp.	5,670	5,204	8.7	N/A
9	Anheuser-Busch Cos.	5,514	4,053	36.0	1.5
10	Grand Metropolitan p.l.c.	5,240	4,933	6.2	6.9
11	McDonald's Corp.	5,129	4,295	19.4	1.1
12	Brown-Forman Co.	5,055	6,182	(18.2)	N/A
13	Rapid-American Corp.	3,714	4,071	8.8	N/A
14	Whirlpool Corp.	3,648	8	N/A	N/A
15	Coca-Cola Co.	3,620	3,284	10.2	1.1
16	Stroh Brewery Co.	3,206	1,313	144.1	3.8
17	General Motors Corp.	3,176	4,183	(24.1)	0.4
18	Holiday Inns	3,002	2,899	3.6	N/A
19	Distillers Co. Ltd.	2,761	N/A	N/A	N/A
20	Bacardi Corp.	2,738	2,217	23.5	N/A
21	Moet-Hennessy	[illegible]	[illegible]	20.1	N/A
22	Pan American World Airways	2,274	1,505	51.1	N/A
23	Ford Motor Co.	2,174	1,806	20.4	0.4
24	PepsiCo Inc.	2,093	1,924	8.6	0.5
25	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Source: Institute of Outdoor Advertisers and Outdoor Advertising Assn. of America as supplied to Leading National Advertisers Inc.

Cosmair Inc.

RANK 69

New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	665	600	10.8
Net income	N/A	N/A	N/A
Advertising	120	70	70.8

Cosmair Inc., New York, laid out the cash to do market battle with the nation's beauty marketers in 1984, paying $146 million for Warner Cosmetics and increasing its own advertising expenditures to an estimated $119.5 million. The ad expenditures, which increased 70.7% from 1983, made Cosmair the 69th largest national advertiser.

Privately held Cosmair is the U.S. licensee for L'Oreal and Lancome, and traces its origins to 1953 when it opened as a wholesale distributor of L'Oreal hair-care products to American beauty salons.

Cosmair, with sales estimated by the industry of $665 million in 1984, had an annual growth rate in 1984 of 40%, far exceeding Revlon's 1% gain with sales of $798 million in North America, and Estee Lauder's estimated 12% increase on sales of $660 million. Heavy spending on research, advertising and promotion has kept Cosmair from reaping huge profits.

On the basis of those sales results, Cosmair is the third largest beauty company in the $7 billion U.S. market, trailing No. 1 Avon Products ($850 million in sales in 1984), No. 2 Revlon, and nudging No. 4 Estee Lauder, which it passed in total sales for the first time in 1984.

Warner Cosmetics, purchased in January, 1984, may have contributed as much as $160 million to Cosmair sales from its lead products, Lauren perfume, Ralph Lauren cosmetics and Vanderbilt perfume.

Cosmair is challenging Revlon both in market dominance and in advertising outlays. Cosmair's total measured advertising in nine media of $78.7 million in 1984 represented an increase of 80%. Revlon spent $85.4 million in measured advertising, up 3.9%. Estee Lauder trailed at $38 million in measured media. Considerable more monies, however, are spent by all players in the market in promotions, couponing, special events and the like.

Cosmair spent more on tv than Revlon, $42.4 million vs. $41.1 million in 1984, and in magazines, $23.1 million vs. $21.2 million, but trailed in spot tv spending $12.3 million to $18.7 million.

Cosmair's largest ad outlay went in support of L'Oreal Mousse Styling Foam—some $13.7 million in tv, mostly network—according to Leading National Advertisers Inc.

In this new category worth $150 million, Cosmair's Free Hold mousse still outdistances the competition. However, its onetime 40% share of market, claimed prior to the new launch activity by competitors in this market, has dwindled to an estimated 23% of market. Second is Alberto-Culver Mousse Styling Foam, No. 3 is Suave by Helene Curtis, No. 4, Finesse also by Curtis, and No. 5, Flex by Revlon.

L'Oreal, which accounts for an estimated $90 million of Cosmair's total sales, attracted $11 million in measured spending backing eye makeup, $9.8 million of which is network tv and $1.2 million of which is magazines.

L'Oreal, which began the repackaging and reformulation of its lip and nail line three and a half years ago, has built its products into a complete cosmetics line similar to offerings of makeup rivals Revlon, Noxell and Maybelline, especially with the introduction this May of Visuelle facial makeup with a $5.4 million network tv flight and print ads. McCann-Erickson created the network and print for Visuelle, L'Oreal's first foundation, pressed powder and powder blush.

Over-all, L'Oreal spending was up 45.2%, to $44 million. Lancome division spending was up 33.7%, to $10 million in 1984.

The Lancome division, defined as the "cash cow" at Cosmair, spent $10.1 million in measured advertising in 1984, up 34%. New products included Clarifiance, an oil-free moisturizer, Forte Vital night cream, Maquivelours, a liquid foundation, and Stylocerns pencil-tubed lipstick. In 1985 new products included: Conquette du Soleil, a sun skincare; La Crayette Caprice, a powder pencil that releases three colors at once; Boite a Poudre, a powder box and brush in one container, and two waterproof makeup products—Le Crayon eyeliner, and Les Aquatiques cream eyeshadow.

La Crayette and Boite a Poudre were innovative in this highly animated industry that keeps priming the new product pump. For 1986, Lancome will launch in January, Transhydrix, a 24-hour moisturizing cream, and in May, a seven-line men's skincare product family.

Notable advertising shifts occurred behind established fragrances Anais Anais, in which spending was down 15.9% to $3.7 million, and Fidji, where spending dropped from $758,600 to only $91,100.

Among the Warner Cosmetics contributions, Lauren perfume drew $2.8 million, up from $277,600 in 1983; Polo, $2.2 million, up from $1.3 million; Chaps, $3.5 million, down from $4.1 million.

The Vanderbilt line garnered $8.8 million compared with $7.2 million in 1983. Vanderbilt sales of an estimated $65 million-plus trail only Revlon's Charlie in sales among mass market perfumes. Market shares reported in early 1984 were 7% Charlie, and 4% Vanderbilt.

The market for Cosmair and others, however, is tightening. Unit sales for cosmetics rose only 2% in 1984, and will remain stagnant in the next few years, say analysts.

Sales grew steadily during the 1960s and 1970s, reflecting the surge of women into the work force. But that has since leveled off.

Cosmair is fighting for a bigger share of sales from mass market outlets, where 60% of all beauty aids are now sold. The Lauren fragrances and the Vanderbilt line are new entries in that market.

Revlon currently outsells Cosmair 3 to 1 in drug stores. However, the margin used to be about 5 to 1. Cosmair's growth has been faster than that of Revlon in this mass market sector in which Cosmair is positioning L'Oreal at higher, department store prices and getting away with it. Rationale behind the strategy is one-stop shopping—convenience—with a lot of prestige thrown in.

In department stores, where 40% of all cosmetics and fragrances are sold, Cosmair's 20% share is a distant second to that of Estee Lauder's 37%.

L'Oreal is trying to cut into the lead of Bristol-Myers' Clairol in the $400 million (manufacturer's dollars) hair coloring category where it holds a 23.3% dollar share against a 60% dollar share held by Clairol. Moving against a category decline of 2% in hair coloring sales, L'Oreal had a 1% gain in hair coloring share in 1984.

L'Oreal this year introduced its new semi-permanent Avantage hair color lotion with an ad budget of $6 million. It is going head-to-head against Clairol's Loving Care, which holds about 11% of the market.

Loving Care got $8.2 million in measured spending in 1984, up 8% from the previous year.

Avantage is being handled by Geers Gross. So is the introduction of the Biotherm treatment line, the launch of Warner Division's Norma Kamali fragrance in the spring of 1987 and the newly introduced Monogram, a men's fragrance by Ralph Lauren. Monogram, priced 25% higher than Lauren's Polo men's fragrance, could achieve sales of as much as 40% of the Polo line in its first year. Polo has estimated sales of about $30 million, report industry analysts. Chaps is the third Lauren fragrance.

Fragrances at Cosmair represented 33% of sales in 1984; haircare products, 34%; makeup, 25%, and skincare, 8%.

Distribution of media expenditures on a percentage basis remained relatively constant between 1983 and 1984.

Nestle SA owns 62% of Cosmair, with the remaining 38% divided largely between L'Oreal interests—L'Oreal itself; Francois Dalle, head of strategic planning and former chairman at L'Oreal; Liliane Bettencourt, who is the daughter of L'Oreal founder, Eugene Schueller, and Jacques Correze, Cosmair chairman.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	803	665
Magazines	23,149	15,265
Network cable	56	0
Spot tv	12,274	4,707
Network tv	42,381	23,085
Spot radio	25	0
Total measured	78,688	43,722
Total unmeasured	40,812	26,233
Estimated total	119,500	69,955

COSMAIR INC.
575 Fifth Ave.
New York, N.Y. 10017
(212) 818-1500

Marketing Personnel

Corporate Management

Jacques Correze, chmn
Jean Levy, president-ceo
Michel Somnolet, exec vp, coo

DRUG & MASS
Market Division

James Nixon, president

L'OREAL HAIR CARE DIVISION

Arnold Zimmerman, senior vp-genl mgr
Tip Cornell, vp-sales
Ron Leong, vp-mktg

L'OREAL COSMETIC DIVISION

John Wendt, senior vp-gm
Joe Lamia, vp-sales
Beatrice Dautresme, vp-mktg

WARNER GROUP TWO
Fragrance Division

Roy Benjamn, senior vp-genl mgr
Mike Eiger, vp-mktg

DEPARTMENT & SPECIALTY
Store Division

Joseph Augeri, president

LACOME DIVISION

Simon Critchell, senior vp-genl mgr
Richard Roderick, vp-sales
Tony Michaels, vp-mktg & adv

EUROPEAN FRAGRANCE DIVISION

Richard Recker, senior vp-genl mgr
Barney Feldman, vp-sales
Barbara Gyde, vp-mktg

WARNER GROUP I
FRAGRANCE DIVISION

Robert Ruttenberg, exec vp, genl mgr
Stan Garland, vp-sales, fragrance
Joe Schriver, vp-sales, beauty
Jane Terker, vp-mktg

BIOTHERM

Joseph Augeri, genl mgr
Tom Day, vp-sales
Pam Fields, vp-mktg

L'OREAL PROFESSIONAL DIVISION

Ron Pears, senior vp-genl mgr

Advertising Agencies

Geers Gross, New York—Chris Hansen, senior exec vp; Phyllis Califano, vp-mgmt super, Biotherm, Avantage; Diane Dunst, acct exec, Avantage; Robin Fry, vp-mgmt super, Warner; Dallas Haden, senior acct exec, department stores; Ann Throne-Holst, asst acct exec, department stores; Lauren Woodman, acct super, mass brands; Dory Swenson, acct exec, mass brands.

McCann-Erickson, New York—Steve Bretschneider, senior vp-mgmt rep; Jean-Marc Scwarz, vp-acct dir; Betsy Fifield, acct dir. New Performing Preference—Toni Sennott, acct super; Catherine Bacquelin, acct exec; Nancy Eristoff, asst acct exec. Freehold Styling Mousse, Premiere Perm, Drakkar Noir—David Edwards, acct super; Regine Famigliette, asst acct exec. Color cosmetics—Jeanne Davidson, acct super; Lisa Roberts, senior acct exec; Olivia Wakeman, asst acct exec; Susan Lindyberg, prod coord; Cathie Vaccaro, acct coord.

Intermarco, New York—Lancome—Arlene Hoffman, president.

Top 25 farm publication advertisers

Rank	Advertiser	Ad expenditures($000) 1984	1983	% chng	as % of co.'s 1984 ad total
1	Monsanto Co.	$8,996	$8,288	8.6	N/A
2	Ciba-Geigy Ltd.	6,629	5,587	18.7	N/A
3	Elanco Products	6,304	4,859	29.7	N/A
4	Deere & Co.	5,763	4,254	35.5	N/A
5	Stauffer Chemical Co.	4,241	4,317	(1.8)	N/A
6	American Cyanamid	4,173	3,449	21.0	1.5
7	E.I. du Pont de Nemours	4,053	4,119	(1.6)	4.5
8	Bayer AG	3,996	3,070	30.2	3.8
9	International Harvester Co.	3,598	3,906	(7.9)	N/A
10	Ford Motor Co.	3,115	3,431	(9.2)	0.6
11	Shell Chemical Co.	2,538	2,036	24.7	N/A
12	Dow Chemical Co.	2,257	2,437	(7.4)	N/A
13	Sperry Rand Corp.	2,242	2,085	7.5	N/A
14	Union Carbide Corp.	2,210	1,723	28.3	2.4
15	ICI Americas	2,198	994	121.1	N/A
16	Pioneer Hi-bred International	2,036	2,132	(4.5)	N/A
17	Upjohn	2,021	2,283	(11.5)	N/A
18	Rohm & Haas Co.	1,955	1,337	46.2	N/A
19	Pfizer Inc.	1,917	1,552	23.5	0.03
20	FMC Corp.	1,792	1,401	27.9	N/A
21	J.I. Case	1,736	2,105	(17.9)	N/A
22	Merck & Co.	1,678	1,139	47.3	N/A
23	BASF Wyandotte Corp.	1,601	2,008	(20.3)	N/A
24	Allis Chalmers	1,576	1,593	(1.1)	N/A
25	Dekalb	1,559	1,744	(10.6)	N/A

Source: Agricultural Marketing Information Service (AGRICOM)

RANK 98

Cotter & Co.

Chicago

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	1,653	1,459	13.3
Net income	58	62	-6.5
Advertising	64	52	22.0

Cotter & Co., continuing in the steps of a historic Chicago hardware tradition, has become the biggest U.S. hardware company. It is now an organization of more than 7,500 True Value hardware and variety stores, which in 1984 was the 98th largest national advertiser with advertising of $63.9 million, up 22% from 1983.

In 1984, Cotter revenues totaled $1.65 billion, up 13.3% from 1983. Net earnings fell to $58.2 million in 1984, a decline of 6.5%. Cotter, which is owned by its dealer members and functions as a cooperative, says the decline is a change in the payout of the company income in the form of "patronage dividends" to its members.

These dividends are based individually on the value and volume of goods and services each dealer-member orders from headquarters, and Cotter attributes the apparent 1985 earnings decline to a change from charging the dividends against operating costs in arriving at net earnings to computing the net and then paying out the dividends.

For the latest quarter reported by Cotter, ended March 31, 1985, revenue was $404.9 million, down just 1.5% from $411 million in 1984's corresponding quarter. Net earnings fell 5.5%, to $11.2 million in the 1983 first quarter. Again, says Cotter, the reason was the new method of computing the patronage dividend.

As a private company, Cotter does not delineate its performance record by publishing a promotional annual report, but the record is known. The 10K that Cotter files with the SEC describes its organization as "the largest wholesaler of hardware and related products in the United States."

The 1984 annual letter to its stockholders states, "1984 was a reasonably satisfactory year for your own wholesaler in terms of shipment/billings, with an over-all increase of 13.3%."

Cotter advertising probably has succeeded in familiarizing almost every American with its name, but not *that* name. For 1984, its measured spending of $43.9 million was up 22% from the previous year as the company again leaned heavily on spot tv where it placed 33% of its ad expenditures, followed by 27% on network tv, 23% on network radio and 12% on magazines.

True Value is the moniker that Cotter promotes most widely, using three major forms of advertising: The "Pat Summerall sent me" series on tv and radio, the gravure fliers and the ads in magazines aimed at the homeowner.

The radio and tv commercials are conceived and written by Cotter's inhouse agency, Home Products Marketing. For the magazine ads and Yellow Pages promotion, Cotter uses the creative and media services of its outside agency, Christenson, Barclay & Shaw, Chicago. For the electronic media, Cotter is using not only the ubiquitous Summerall but other personalities such as Harry Caray, long known for his "Holy Cow!" as he broadcasts Major League Baseball, and Lee Phillip, a Chicago tv personality.

The big hardware wholesaler produces more than 15 million fliers 12 times a year. Each dealer takes a quantity of fliers in a co-op program with Cotter and distributes them to mailing lists within a five or ten mile radius of the stores.

According to Edward Lanctot, Cotter secretary, treasurer and advertising/merchandising manager, "About 60% of our members are now using this direct mail, mostly in quantities of 10,000 each or less."

In other major marketing efforts, Cotter conducts new-product markets each spring and fall at its Chicago headquarters, giving dealers a chance to see what's new and what will be coming. In response, says Cotter, the dealers "generally place substantial orders."

During 1984, Cotter made marked increases in certain advertising expenditures by media and by product line. Spending for network tv rose 182%, to $11.8 million. Spot radio was up 36%, to $986,000. Outdoor went up 285%, to $35,400. Network cable tv climbed 13%, to $686,000. Other increases were 6% for network radio to $10.2 million, and 4% for spot tv to $14.5 million. Only magazine spending was off for Cotter in 1984, dropping 20% to $5.5 million.

The big increases by product category in 1984 were spent to promote the True Value store concept, while the long, heavily promoted paint line was off sharply. At $40.9 million, total spending to advertise True Value stores in 1984 was about 97% of Cotter's total 1984 six-media spending of $42.4 million. It also represented an increase of 24.3% over measured advertising for True Value stores in 1983, according to Leading National Advertisers, which monitors advertising in six media.

Declines in spending for the True Test paint and finish lines—most of it in magazines—included True Test home paint, down 53% to $341,300 in 1984 from the previous year; True Test home stains, down 65% to $98,600; and X-O rust primer, True Value's Rust-Oleum fighter, down 67% to $45,500. Bucking this trend, spending for the True Test varnish line was up 10%, to $45,500 in 1984.

Across the board, Cotter spent 34% less promoting its household finish lines in 1984 than in 1983, dropping to about $829,000. It spent 25% more in general promotion of the True Value name, jumping to $41.3 million in 1984.

Unlike the household finishes promotion that ran almost entirely in magazines, with only a small fraction in outdoor, the 1984 general True Value promotion spread across print, tv, radio and outdoor media. Magazine spending was the only decline, falling 17.5% to $4.2 million in 1984. Network tv expenditures nearly tripled, climbing to $11.8 million in 1984 from $4.2 million a year earlier. Outdoor also nearly quadrupled, going to $32,800 in 1984 from $8,700 in 1983.

Other gains were more modest, including 5% for spot tv, going to $14.64 million in 1984, and 4% for network radio, rising to $10.2 million in 1984.

Spending for the V&S variety stores fell notably in 1984, to $55,700 from $312,200 in 1983. At the same time, though, Cotter apparently is not dissatisfied with the V&S picture. It says the variety division made "reasonable increases" in 1984, with shipments up 11% over 1983. The variety stores, which are in the dime store mode, typically are family-owned enterprises.

Cotter is expanding the variety product line it offers to the 900 V&S outlets in addition to the approximately 825 combination True Value Hardware and V&S stores. Pure True Value Hardware stores are by far the biggest part of the business.

By product category, Cotter's business breaks down for 1984 into 40% hardware, 30.8% home and maintenance supplies, 19.3% variety goods and 9.9% appliances.

Cotter's main competitors are Ace Hardware Corp., Oak Brook, Ill., with more than 6,000 dealers and exceeding $800 million in sales annually, and Hardware Wholesalers Inc., Fort Wayne, Ind., with more than 4,000 dealers and sales topping $560 million a year. Like Cotter, both are merchandise-buying wholesale co-ops with voluntarily associated dealers, but the nature of the association varies among the three.

Another difference is that Cotter not only buys merchandise for resale to its members but also manufactures it. The general paint and chemical division produces paints and other finishes at a manufacturing plant in Cary, Ill. The general power equipment division produces lawn and garden equipment, electric heaters and snow-clearing products at a plant in Harvard, Ill. Cotter also produces paint at facilities in Chicago and near Allentown, Pa.

It gets the goods to its members' stores from 14 regional warehouses. The newest distribution center, in Woodland, Cal., near Sacramento, will serve Cotter's fast-growing West Coast trade.

As in other fields, foreign competition is a factor in the hardware business. Taiwan is the biggest overseas hardware source; in addition Japan contributes 36% and Korea, 26%.

Cotter advertising and merchandise manager, Edward Lanctot, says "imported tools are getting a good reception. And business is heaviest in tools.

"But we don't go overboard on imports," he notes, indicating that the imports are generally of lower quality, an image TrueValue does not want to court.

Wherever the hardware is coming from, U.S. consumers are not hesitating in taking it home. Chilton's *Hardware Age* reports that although mid-1985 retail sales generally were declining by 0.8% from the same 1983 period, hardware sales were averaging 17% higher at two-thirds of the dealers reporting.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	5,478	6,879
Network cable	686	607
Spot tv	14,640	13,946
Network tv	11,843	4,202
Spot radio	996	724
Network radio	10,201	9,648
Outdoor	35	9
Total measured	43,870	36,015
Total unmeasured	20,030	16,362
Estimated total	63,900	52,377

COTTER & CO.
2740-52 N. Clybourn Ave.
Chicago, Ill. 60614
(312) 975-2700
Corporate Office
John M. Cotter, chmn
Daniel A. Cotter, president
Marketing Personnel
Edward E. Lanctot, secretary, treasurer, adv merch mgr
Gary Coppinger, retail adv mgr
Advertising Agencies
Christenson, Barclay & Shaw, Chicago—print, Yellow Page adv—Jerry Christenson, president; Linda Strom, client relations.
Home Products Marketing (in-house), Chicago—direct mail, tv, radio.

CPC International

RANK 66

Englewood Cliffs, N.J.

($ figures – 000,000)

Worldwide	1984	1983	% chg
Sales	4,373	4,010	9.0
Net income	193	136	42.0
U.S.			
Sales	1,815	1,526	19.0
Operating profits	180	160	12.4
Advertising	124	118	4.7
Division sales			
Grocery products	2,555	2,344	9.0
Corn wet milling	1,660	1,531	8.5
Other	158	136	15.8

CPC International demonstrated strong sales worldwide in 1984 but mixed geographic results during 1984 as it boosted advertising to an estimated $123.5 million in 1984, up 4.7% over a revised $118 million in 1983, making CPC the 66th largest advertiser

The Englewood Cliffs, N.J.-based company, which markets such products as Hellmann's mayonnaise, Mazola corn oil, Knorr soups, Skippy peanut butter, Thomas English muffins and Karo syrup, spent $190 million on advertising and promotion worldwide in 1984, up from $181.5 million in 1983, according to the company.

During 1984, CPC had record sales of $4.37 billion, up 9% from 1983. Net income rose 42% to $193.4 million over $136.2 million in 1983, the latter of which included a write-off of $55.4 million.

The company's operating income rose 4% from the previous year to $401.9 million. Two-thirds of the increase in operating income was because of a 12% improvement in the company's corn wet-milling segment, a segment accounting for 38% of total sales and 22.5% of operating income. However, this segment is finding 1985 less hospitable. In the first quarter of the new year, CPC suffered a decline in earnings of 5.1% to $33.2 million and a 1% slippage in sales to $1 billion primarily traced to the strength of the dollar against foreign currencies and competition in the corn wet-milling industry.

CPC's main business line, grocery products, which includes Best Foods, S.B. Thomas Inc. and Knorr-Special Products, in 1984 accounted for sales of $2.56 million, up 9%, and operating income of $315.5 million, up only 0.2%. Sales of the segment accounted for 58% of the company's worldwide total while operating income represented 78.5% of the company total.

Operating income in the grocery products segment reached the same level in Europe, Africa and the Middle East, where it faced considerable local currency erosion against the dollar. There was a 33% decline in Latin America where consumer buying power dropped because of poor local economies, but a 9% increase in North America and a 37% increase in Asia.

In the U.S. where the Best Foods division is the major arm of the grocery products segment, Best Foods reported sales increased 20% in 1984, with about half the gain stemming from the December, 1983, acquisition of C.F. Mueller Co. for about $122 million.

This division attracted most of the advertising spending at CPC as in the past. Measured spending in nine media tracked for this report, however, dropped 1% to $44.8 million in 1984 from 1983.

Mueller's pasta products received a substantial increase in measured advertising support from CPC, with $1.5 million spent in media, all spot tv, up from $127,700 in the previous year, according to Leading National Advertisers, which monitors six media. CPC is No. 2 in the U.S. pasta market with a 15.5% share, trailing Hershey Foods Corp.'s (American Beauty) 17.2% share. Borden is third at 11.9%.

Hellmann's mayonnaise recorded media spending of $9.3 million, up 5.7%. Best Foods mayonnaise received $1.5 million, up 15%. Both Hellmann's and Best Foods mayonnaise were promoted in 1984 as having high quality, good taste and creative uses. According to George Novello, food industry analyst with E.F. Hutton Inc. in New York City, Hellmann's and Best Foods hold together a 50% dollar share of the mayonnaise market, with the closest competitor being Kraft mayonnaise, which has a dollar share in the low teens.

Both Best Foods and Hellmann's were marketed individually as well as in combination with other products—Lipton soup, Progresso bread crumbs, Hershey's cocoa—to show versatility.

Skippy peanut butter advertising—$9.5 million in 1984 vs. $8.6 million in 1983—was apportioned two-thirds network tv and a third spot tv. Skippy is the market leader holding a share of more than 20%, followed by Procter & Gamble's Jif and Beatrice's Peter Pan, respectively.

Skippy advertising continued to tie into strong consumer interest in good health and physical fitness.

A new 5-lb. container for use in the food service business was introduced by CPC Foodservice in September, 1984.

Thomas English muffins were expanded to Atlanta in January, 1985, following the expansion into 14 new markets in early 1984 making the muffin available in 73% of the nation. The muffins were backed by $6.2 million in measured advertising, all in spot tv, an increase of 11% from 1983.

Some foreign and/or private companies do not divulge sales or income figures. Where estimates could not be obtained, N/As appear in charts and the boxed information preceding the profiles to indicate "not available."

Thomas Toast-r-Cakes were expanded to Atlanta and Pittsburgh and were supported by a 42% increase in advertising in 1984 to $481,200, all in spot tv, according to LNA.

S.B. Thomas also tested a three-item croissant line that feature butter, chocolate and almond-flavored croissants. Supported by $185,900 in spot tv, the croissants were linked to Thomas English muffins with the tag line, "As French as our muffin is English." The croissants, however, were subsequently withdrawn from the market and there are no immediate plans for the line, the company says. Thomas' cinnamon raisin and sourdough muffins also were introduced in the fall of 1984.

CPC's line of Knorr dehydrated soups, sauces, bouillons, seasonings and mixes reported higher volume sales in 1984, but the brand suffered a decline of 3% in worldwide dollar sales primarily because of fluctuating currency values in Europe, where 60% of Knorr product revenues are derived.

Knorr introduced several new products in 1984, including Knorr Homestyle soup, a hearty dry soup; Knorr salad dressings, imported oil and vinegar dressings, and line extensions to Knorr soups and sauces. Minimal advertising support is given Knorr products. Knorr soup mix received $421,800 in new ad support and Knorr-Swiss Mixes garnered ad support of $325,800, up from $93,400 in 1983.

The major drop in spending at CPC was in Mazola oil, a year-to-year decline of 31% to $6.4 million. Mazola margarine, which received some $2.4 million in measured media spending in 1983, was pared back to $83,900 in 1984.

Other grocery products included Argo packaged corn starch, Karo and Golden Griddle syrups, Niagara spray starch and Alsa desserts. The Karo syrup line received $1.9 million, all spent in magazines, a 20% decrease from the year before, according to LNA. As in the past year, Karo syrup was advertised in conjunction with other food products such as Hormel hams. Argo received $654,500 in measured media, down 12% from 1983, while Niagara received about $50,000 both years.

In early 1985, Best Foods introduced Best Foods Instant Thickener for gravies and sauces. Positioned to "end lumpy gravy," advertising asked, "Doesn't your famly take encugh lumps in life without taking them in your gravy?"

CPC also restructured its Best Foods division in October, 1984. Best Foods U.S. and the Consumer Development Cos. were merged to form Best Foods North America. Business unit directors were given responsibility for a group of Best Foods' traditional brand products.

CPC's corn wet-milling operations, which include 40 plants in 21 countries, showed an increase in worldwide sales of 8% in 1984 to $1.66 billion. Worldwide operating income also was up 12%, to $90.4 million. About one-fourth of CPC's grocery products volume is derived from ingredients supplied by corn wet milling operations.

The company invested more than $180 million in 1984 to expand capacity, lower costs and boost productivity in its wet-milling operations. The project includes rebuilding CPC's Argo, Ill., plant and other projects in plants in the Netherlands, North Carolina, California and Brazil.

In April, 1984, a CPC corn wet milling division entered into an agreement with John Labatt Ltd. of Canada to merge the two companies' corn wet milling operations into a partnership called the Casco Co., which produces a full line of corn wet milling products. CPC holds a 70% interest in the partnership.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,736	9
Magazines	8,647	7,907
Network cable	0	12
Spot tv	16,264	15,545
Network tv	16,944	21,669
Spot radio	1,211	126
Outdoor	0	1
Total measured	44,802	45,259
Total unmeasured	78,698	72,741
Estimated total	123,500	118,000

CPC INTERNATIONAL
International Plaza
Englewood Cliffs, N.J. 07632
(201) 894-4000
BEST FOODS
Marketing Personnel
Richard W. Siebrasse, president
Robert J. Gillespie, exec vp
Jan van Amerongen, acct exec asst
Robert O. Herman, vp-sales
Donald C. Berman, Joan S. Dargery, William F. Masterson, business unit dirs
Jean Burtis, dir-consumer service
Dennis C. Beaumont, Aaron Strauss, dirs-mktg rsch
Advertising Agencies
Dancer Fitzgerald Sample, New York—Mazola corn oil, Skippy peanut butter, Mazola margarine, Golden Griddle syrup, Karo syrups, Argo corn starch, Mazola No Stick—George Dean, mgmt dir; John Kaiser, mgmt super; Oliver Payne, Bill Champion, Peter Mitchell, acct supers; Orson Munn, Andy Bonaparte, Mona Kornfield, acct execs.
Ogilvy & Mather, New York—Cliff Angers, senior vp-acct group dir; Jean Fitzgerald, vp-mgmt super. Hellmann's/Best Foods mayonnaise—Bruce Nathanson, acct super; Patricia Dillion, acct exec. Mueller's pasta prod & new prod—Natasha Kavanagh, acct super; Garrett Vreeland, acct exec.
S.B. THOMAS INC.
Totowa, N.J.
Marketing Personnel
Richard C. Miller, president-ceo
Nina Henderson, vp-mktg
Octavian S. Pechar, group prod dir
Michael J. Lebo, senior prod dir
Robert Anderson, vp-sales
Advertising Agency
Young & Rubicam, New York—Thomas English muffins, Toast-r-Cakes, Thomas Protogen Protein bread—John Foote, mgmt super; Anthony Pace, acct super.
CPC FOODSERVICE
Marketing Personnel
William R. Nelson, president
Robert J. Nemec, vp-mktg
Keith Chatting, mktg dir
Ronald Brown, natl sales mgr
Advertising Agency
Devine/Tri-Com, New York—Hellmann's/Best Foods mayonnaise, Thomas English muffins, Knorr prod, Skippy peanut butter—William Schulkin, Charles Sirey, acct execs.
KNORR-SPECIAL PRODUCTS
Marketing Personnel
Albert A. Witz, president
Bruce D. Hillenbrand, mktg mgr
Craig Lesser, Cecelia Inwentarz, mktg assts
Advertising Agencies
Font & Vaamonde Associates, New York—Knorr bouillons, P. Font, president; H.V. Flores, acct super.
Warwick Advertising, New York—Knorr soups, sauces, bouillons, Rit dye, H-O cereals, Fanning's pickles, Bosco milk amplifier, Rit, NuSoft, Linit laundry aids—D.K. Felt, exec vp; R.D. Lamley, vp; N. Harner, acct exec; C. Wiley, asst acct exec.
BEST FOODS CARIBBEAN
Plinio Gonzalez, president
Jaime Pericas, exec vp-genl mgr
J.F. Tonarely, vp-sales
Advertising Agency
Premier Maldonado, San Juan, P.R.
CORN PRODUCTS
Marketing Personnel
Fred C. Meendsen, president
S.C. Scott, vp-sales
Rosemarie A. Burns, mgr-adv & sales promo
Advertising Agency
Gianettino & Meredith, Mountainside, N.J.—Marc Grossberg, acct exec.

An expansive market

Big League food producers are savvy enough to sense a good thing in the possibility of supplying victuals to the most numerous of all the world's peoples, the Chinese, and they are doing so.

The Pillsbury Co. entered a joint venture in October, 1984, with the Great Wall Co., Taiwan, the Republic of China, to produce flour and specialty foods.

Beatrice Cos. in November, 1984, announced a joint venture, Guangmei Foods Ltd., in Guangzhou (formerly Canton) in the People's Republic of China. Beatrice owns 50% of the venture.

Dart & Kraft

RANK 29

Northbrook, Ill.

($ figures – 000,000)

Worldwide	1984	1983	% chg
Sales	9,759	9,714	0.5
Net income	456	435	4.8
U.S.			
Sales	7,129	6,905	3.2
Operating profits	646	612	5.5
Advertising	269	212	27.0
Division sales			
Food prods.	6,838	6,660	2.7
Direct selling	777	825	-5.9
Consumer prods.	1,245	1,181	5.4
Commercial prods.	899	1,048	-14.2

Dart & Kraft, the nation's 29th largest advertiser in 1984, increased ad spending 27% to an estimated $269.2 million during a year in which the Northbrook, Ill.-based company found stagnant: Net earnings were $455.8 million, up 4.8% from 1983, on sales of $9.76 billion, up 0.5% from the previous year.

D&K again was dominated by its food products division, which accounted for 70% of the company's sales and 63% of its operating profit. Sales for the Kraft division increased 3% to $6.8 billion for the year.

Dart & Kraft, which collected 23% of its sales and 34.7% of its operating income from international business in 1984, had worldwide advertising expenditures of $418.6 million, up 23% over 1983 expenditures of $339.6 million, according to the company.

The most disappointing results were turned in by the Direct Selling division, otherwise known as Tupperware International. Profits for Tupperware declined 27% to $138.8 million as sales, which accounted for 8% of total D&K sales, fell 6% to $776.9 million.

In an attempt to reverse the division's fortunes, the company has announced plans to restructure the Tupperware party format, adding one-hour, lunch-hour and rush-hour parties to bring working people back into the fold. Tupperware also launched its biggest advertising effort—a $10 million tv campaign, focusing on products such as the new Ultra 21 cookware line, rather than parties and salesperson positions. The company expects to begin seeing signs of a turnaround late this year or in early 1986, after absorbing the startup costs associated with Ultra 21.

Over-all, D&K continued its period of transition in 1984. It purchased four businesses during the year: Precor, a Redmond, Wash.-based marketer of exercise bicycles and rowing machines, and Health Examinetics, a San Diego-based health testing service, in April; Celestial Seasonings, a Boulder, Colo.-based maker of herb teas, and Lender's Bagel Bakery, West Haven, Conn. The company says these acquisitions reflect its intention to focus on food and consumer products in growth categories.

D&K attempted to purchase Chicago-based CFS Continental, the nation's second-largest foodservice company, but was outbid by A.E. Staley Co., now known as Staley Continental. D&K says it plans to make up for the lost opportunity by acquiring a number of smaller foodservice companies. Foodservice already accounts for 11% of total Kraft sales.

In turn, the company sold some businesses that did not fit into its plans, including fluid milk, packaging and plastic specialties units.

D&K carried those reorganizational practices into this year. In January, it purchased Borg-Erickson, a Chicago-based maker of bathroom scales. In March, it acquired Frusen Gladje, a Lindenhurst, N.Y.-based maker of superpremium ice cream. In February, it announced plans to sell to Whirlpool Corp. its KitchenAid division, for which it spent more than $6 million in measured media advertising in 1984.

The KitchenAid sale was contested by White Consolidated Industries and Magic Chef, which filed an antitrust suit to stop the transaction, claiming it would lessen competition. After a five-week trial in district court, an injunction was placed on the sale. That bar was then lifted in August, 1985, pending an appeal.

Following completion of all but the KitchenAid deal, the company declared that "the period of reassessment is winding down."

Part of that reassessment program included separating the retail food group into three divisions: Refrigerated, dry grocery and retail ventures. The latter will be reponsible for managing two new businesses—Celestial Seasonings and Lender's—and the development of new food lines, such as Cheese Classics frozen entrees, which are being tested in Phoenix.

D&K intends to increase distribution and marketing support for Celestial Seasonings, which held an estimated 40% share of the $90 million to $100 million herb tea category at the time of purchase. The company has said it also will introduce new products in herb tea and other categories under the Celestial Seasonings name.

For Lender's, whose baked goods have been marketed primarily on the East Coast, D&K plans to increase capacity about 50% in 1985 and greatly expand its distribution area. D&K sees the bagel maker as an ideal match for its market-leading Philadelphia Brand cream cheese products.

Kraft's dairy group, which accounts for 9% of Kraft sales, made a poor showing in 1984, despite a substantial increase in advertising. While Breyer's ice cream performed well in initial midwestern expansion markets, Sealtest ice cream volume was lower. In 1984, Kraft doubled measured ad spending for Sealtest to $7 million and increased Breyer's from $3.4 million to $8 million.

The most positive news from the dairy group was created by Light n' Lively lowfat yogurt six-packs, whose volume was up about 40%, the company reported. National rollout of the yogurt, which received $2.8 million in spot tv support in 1984, was scheduled to be completed in 1985.

Because D&K is placing more emphasis on consumer products, it says, it has given higher priority to marketing and advertising. In 1984, the company projected a 12% to 15% increase in ad spending for 1985.

Cheese represented almost 57% of the retail food group's sales, despite continued lower demand caused by the federal government's cheese giveaway program. Consumer demand lowered as more than 470 million lbs. were distributed through the government program, about 28% of the pre-giveaway commercial market, the company says.

The most heavily advertised products in 1984 were Kraft cheeses and Velveeta, both of which received about $21.5 million in measured media support, according to six media LNA figures. Velveeta process cheese food measured spending represented more than a 40% increase over 1983.

Two new Velveeta products introduced in 1984 included Shells & Cheese dinner and Mexican Velveeta pasteurized process cheese spread in mild and hot versions. Mexican Velveeta, which hit the shelves in the fourth quarter, was responsible for a sales gain of almost 2% in the total Velveeta loaf category, the company says. Early this year, Velveeta extra thick slices were introduced.

Those were among 15 products that were introduced nationally and 30 others that were either placed in test markets or introduced regionally, making for Kraft's busiest product-introduction year ever.

One line extension that is expected to contribute substantial volume is Miracle Whip Light, a reduced-calorie version of Miracle Whip salad dressing. In May, 1985, Kraft followed up by rolling national with Kraft Light reduced-calorie mayonnaise. Ads for Light, via J. Walter Thompson USA, say it has "creamy taste with half the fat of real mayonnaise."

Another line extension is Cracker Barrel cheese balls and cheese logs, which were placed in national distribution in time for the holiday season.

Kraft placed three different blend spreads into test markets in 1984. Parkay Plus, a margarine with 28% real cream, was testing in midwestern and western markets, while two butter blends—Sheffield Farms and Touch of Butter—also were in test.

In March, Kraft introduced Presto Italian salad dressing into national distribution. Presto's special blending process makes it thicker and it stays mixed after shaking.

The most dramatic increase in spending for any one product in 1984 was for Kraft barbecue sauce. Measured support for the product in 1983 totaled $1.9 million; in 1984 that figure jumped to more than $10 million, $8 million of which was on network tv. Kraft showed it means to hang on to its leading market share when it introduced a premium barbecue sauce called Thick 'n Spicy.

The company's interest in sauces was spelled out further when it revamped its sauce department and produced Sauceworks, a repackaged line of sauces that includes hot dog sauce, hamburger sauce, tartar, seafood cocktail, sweet and sour, and horseradish.

The consumer products and commercial products segments, consisting of Duracell, Hobart Corp. and West Bend Co., contributed 22% of D&K's sales and profits in 1984.

Duracell, the world's leading producer of high-performance consumer batteries, continued strong ad support for its batteries and Durabeam line of portable lighting products.

Duracell and Union Carbide's Eveready are locked in combat for market share. The two are estimated to hold a combined 90% of the battery market. Measured spending for the two product lines in 1984 totaled about $28 million each, up from $23 million in 1983.

West Bend, which the company says has been "redirected" and focused on faster-growing, more profitable businesses, is led by a new cordless iron that went into national distribution late in 1984. New product lines attained through acquisition of Precor and Borg-Erickson are expected to strengthen the West Bend unit, which reported that products introduced since 1980 accounted for one-third of its 1984 sales.

In August, Kraft consolidated responsibility for its approximately $100 million in network tv buying at Foote, Cone & Belding, Chicago. That responsibility previously had been split between FCB, Needham Harper Worldwide and J. Walter Thompson USA, both of Chicago. N W Ayer retained responsibility for all tv spot buying for Kraft.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	6,920	7,067
Magazines	36,233	33,219
Network cable	1,391	1,661
Spot tv	53,742	42,525
Network tv	123,289	87,415
Spot radio	2,326	1,814
Network radio	2,381	3,161
Outdoor	40	32
Total measured	226,321	176,894
Total unmeasured	42,879	35,047
Estimated total	269,200	211,940

DART & KRAFT
2211 Sanders Rd.
Northbrook, Ill. 60062
(312) 498-8000

DURACELL INC.
Bethel, Conn.
Marketing Personnel

William S. Saint, vp-mktg & devel
Kevin J. Kelley, group prod mgr
Mark E. Lucas, prod mgr-U.S. brands
Leonard Black, mkt & planning mgr, intl

Advertising Agencies

Jordan, Case, Taylor & McGrath—Durabeam lighting prod, Breakfree lubricant—John Taylor, exec vp, John Havrilla, vp-mgmt super.

Ogilvy & Mather, New York—Duracell batteries—Jack Reed, senior vp-group dir; Philippe Defechereux, senior vp-mgmt super.

HOBART CORP.
Troy, Ohio
Commercial Equipment Division
Marketing Personnel

John Kissick, vp-mktg
John C. Heithaus, dir-mktg services
William F. Lohrer, mgr-adv

Advertising Agency

Willis, Case, Harwood, Dayton, O.—Lew Bonadies, acct super.

TUPPERWARE
Kissimmee, Fla.
Marketing Personnel

Don Hoffman, vp-mktg
David Haan, dir-adv & mktg strategy
Bill Clark, dir-adv
Jerry Lake, vp-sales promo
Mayee Leung, dir-sales promo

Advertising Agency

Young & Rubicam, Chicago—Bill Flynn, vp, group dir.

WEST BEND CO.
West Bend, Wis.
Marketing Personnel

G.H. Miller, vp-mktg
Debra Kumm, mgr-adv & pr

Advertising Agency

Cramer-Krasselt, Milwaukee—Susan Bishop, acct super.

PRECOR
Redmond, Wash.
Marketing Personnel

David Smith, president

Advertising Agency

Imanaka & Co., Seattle, Wash.—David Imanaka, acct exec.

HEALTH EXAMINETICS
San Diego, Cal.
Marketing Personnel

Robert Dempsey, president

KRAFT DAIRY GROUP
Philadelphia, Pa.
Marketing Personnel

Thomas Herskovits, group vp-president
Robert Creighton, vp-dir, mktg

Advertising Agencies

N W Ayer, New York—Sealtest ice cream, sherbet, Polar B'ar ice cream squares, Breyers yogurt—David Gantman, senior vp-exec acct dir; Kenneth McCarren, senior vp-mgmt super; Peter Varvara, vp-acct super.

Geers, Gross, New York—Breakstone cottage cheese, sour cream, dip; Light n' Lively yogurt, cottage cheese & ice milk; Fresh Delights cottage cheese with fruit; Frusen Gladje ice cream; Lender's bagels—Kent DeFelice, exec vp-dir acct services; Dennis Fogarty, senior vp-mgmt super.

Hispania Advertising, New York, subsidiary of J. Walter Thompson USA—Hispanic & multi-product adv—Caroline Demy, senior vp-genl mgr.

Young & Rubicam, New York—Breyers ice cream—William Green, senior vp-mgmt super.

KRAFT RETAIL FOOD GROUP
Glenview, Ill.
Marketing Personnel

H.K. Ridgway, group vp & president—Refrigerated prod div
Robert S. Morrison, exec vp-genl mgr
Winthrop W. Hamilton, vp-dir mktg, grocery prod div
J.P. Durrett, exec vp-genl mgr
J.S. Craig, vp-dir of mktg, retail ventures div
J.D. Weiner, exec vp-genl mgr

Advertising Agencies

N W Ayer, Chicago—A la Carte main dishes, La Creme whipped topping—Leslie Carothers, senior vp-mgmt super.

N W Ayer, New York—agency of record Kraft Inc. spot tv pool—George Burrows, vp.

Leo Burnett USA—Velveeta loaf, slices—Tom Ross, exec vp-client service; Brian Williams, vp-acct dir.

Foote, Cone & Belding, Chicago—caramels, marshmallows, marshmallow creme, sauces and toppings, packaged dinners, youth program; agency of record for network tv; new prod—James Cerasani, group acct dir; Terri Shapiro, acct dir.

Hispania Advertising (JWT USA subsidiary), New York—Hispanic & multi-prod adv—Caroline Demy, senior vp-genl mgr.

Needham Harper Worldwide, Chicago—margarines, fruit spreads, mustard, Philadelphia Brand pourable dressings, Handi-snacks—Jack Copher, group acct dir; Kathie McKirdy, mgmt rep.

Proctor & Gardner, Chicago—Black consumer mktg, multi-prod adv—Rolfe Kolconay, vp-acct super.

J. Walter Thompson USA, Chicago—cheese, viscous & pourable dressings, food-service, corp adv—Lloyd Stein, senior vp-group acct dir, Kraft, Kraft International; Rick Anderson, vp-acct dir international; David Blanton, Tim Dorgan, Jerry Johnston, George Schott, vps-acct dir domestic prod.

KRAFT INC.
INDUSTRIAL FOODS GROUP
Memphis, Tenn.
Marketing Personnel

Frank D. Donovan, vp-sales & mktg, private label prod
C.A. Arnoult, vp-mktg, oil prod
Fred Betzel, vp-mktg & sales, industrial prod
William O. DeBerry, vp-sales
G.E. Maynard, vp-sales
R.E. Wenzler, vp-mktg

Advertising Agency

Ward Archer & Associates, Memphis, Tenn.—Joan White, acct exec.

Delta Air Lines

Atlanta

RANK 95

($ figures – 000,000)

Worldwide	1985	1984	% chg
Sales	4,684	4,263	10.0
Net income	259	176	48
Advertising	67	65	2.9
Division sales			
Passenger	4,376	3,960	10.5
Cargo	236	240	-2.1
Other	72	61	18.0

Buoyed by rising passenger traffic and improving passenger yields, Delta Air Lines recorded record profits in fiscal 1985. But the Atlanta, Ga.-based carrier, the nation's 95th leading advertiser in 1984, is fine tuning its advertising and marketing strategies in the face of formidable competition from low-cost and regional carriers, and from aggressive expansion by other major carriers.

Delta, with estimated ad expenditures in 1984 of $66.9 million, up 2.9% from 1983, had net income for the fiscal year ended June 30, 1985, of $259 million, up 48% from the previous year. Operating revenue was $4.68 billion, up 10% over fiscal 1984.

Delta is making a strong comeback from its fiscal 1983 net loss of $86.7 million, which resulted mainly from cutthroat fare wars with low-cost airlines. Fiscal 1984-85 improvements reflect increasing passenger traffic, higher passenger yield (a measure of revenue from flying one paying passenger one mile) and better cost-control measures. Delta also benefited from lower fuel costs and a 29-day strike at United Airlines in May and June, 1985.

Revenue passenger mileage flown in fiscal 1985 was up 11%, but passenger yield was down 1% from fiscal 1984, indicating downward pressure on fares as a result of rising competition, analysts say. Revenue from cargo traffic also was down 2% from fiscal 1984. Operating costs increased 7% in fiscal 1985.

Total measured advertising in calendar 1984 as monitored in nine media was $63.1 million, up 2% from 1983. The largest single category, however, $26 million in retail newspaper spending, fell 17% in 1984 as Delta shifted some of its media spending to more image-oriented spot radio and spot tv advertising, using variations of its "Delta Gets You There" theme. Spot radio was up 26% to $19.3 million in 1984, and spot tv was up 32% to $10.8 million, the latter according to Leading National Advertisers.

Delta's improved financial performance allows it to modernize its fleet of 244 aircraft, and expand operations through internally generated revenues, Delta executives and securities analysts say. Delta invested $365 million in flight equipment improvements in fiscal 1984 and $529.6 million in fiscal 1985. Projected equipment improvements through fiscal 1987 will average $500 million annually, a Delta spokesman says.

Delta accepted delivery through the end of fiscal 1985 of ten Boeing 757-232, 13 leased Boeing 737-232 aircraft and three L-1011-500 Lockheed aircraft, the latter for international routes, which join the three already in service. Delta has orders and options for an additional Boeing 767-332s through 1992 and 60 Boeing 757-232s.

The purchases help Delta in controlling long-term fuel and labor costs by replacing older aircraft with fuel-efficient newer models that require two- instead of three-pilot crews.

The extensive aircraft purchases are possible because of Delta's falling levels of long-term debt, which totaled less than $600 million at the close of calendar 1984, representing a 34%-to-66% debt-to-equity ratio. For comparison, Delta's debt of $1.1 billion at the end of fiscal 1983 represented a ratio of 55% debt to 45% equity, according to company reports.

Aircraft acquisition is an integral part of Delta's conservative growth strategy in domestic and international routes, says Robert Coggin, Delta's assistant vp-marketing development. Delta is concentrating on expanding service through its Atlanta, Dallas-Fort Worth and Cincinnati hubs, and its smaller hubs in Boston and Memphis, in addition to international routes, Mr. Coggin says.

Delta's expansion may increase slightly its domestic market share, measured in terms of total operating revenues, from 1984 levels of 8.9%, compared with United Airlines' 14%; American Airlines' 12.3%, and Eastern Air Lines' 10%.

On the domestic scene, Delta faces stiff competition from American in the East and Southwest with Delta's greatly increased presence at Dallas-Fort Worth, the nation's fourth largest airport with 32 million passengers arriving and departing in 1984. Dallas-Fort Worth also is American's base of operations. American is seeking a greater presence in the East and has created hubs at Raleigh-Durham, N.C., and Nashville, Tenn., to accomplish this.

Delta initiated nonstop service in 1984 between Dallas-Fort Worth and Detroit; El Paso; Louisville; and Ontario. Delta also began nonstops in 1984 between Dallas-Fort Worth, Honolulu and Nassau, Bahamas. Delta inaugurated international service in June, 1984, between Dallas-Fort Worth and Frankfurt, West Germany, markets.

From its Atlanta hub, Delta began nonstop service to Paris on April 1985, and nonstops to Honolulu on June 1, 1985. Six months earlier, Delta had introduced a one-stop to Honolulu from Atlanta.

Delta has dramatically increased flights into and out of Atlanta, where is the dominant carrier. It set traffic records in spring, 1985, with three consecutive months of 1 million passengers boarding there.

In the East, Delta competes mo heavily with People Express Airlines and Eastern Air Lines for north-south business and vacation traffic in the eastern U.S. Meeting these carriers head-on, Delta built a $100 mill terminal at New York's La Gua Airport in fiscal 1983. It opened stop service June 1, 1985, from Lauderdale to Nassau, with con tions from Delta's domestic route tem, and made La Guardia its N York gateway to Nassau. Delta added a second daily flight to Nas from Atlanta. These changes increa the number of available seats Delta's Bahamas markets by 40.8%.

In July, 1985, Delta began offerin 375 daily departures from Atlanta, a total of 58,000 seats. Atlanta was the nation's second busiest airport in 1984, with 38.9 million passengers arriving and departing that year.

It is Atlanta and other hubs wh Delta has benefited from its De Connection program, initiated 1984, which links several commu airlines into Delta's passenger reserv tions system to provide direct connections with Delta's long-haul flights, plus some fare advantages. Participants include Atlantic Southeast Airlines, Rio Airways, COMAIR and Ransome Airlines.

Other major carriers are starting similar programs. For example, American introduced its equivalent, the American Eagle connections. Eastern is making connections with regional Metro Airlines.

Delta also is seeking to extend its Pacific routes. The U.S. Department of Transportation is considering opening three new routes between the U.S. and Japan, and Delta is fighting to be one of possibly three carriers selected, Mr. Coggin says.

Delta faces a formidable problem in reducing its operating costs. Before deregulation, labor costs reached nearly 58% of total operating expenses for most air carriers. Since 1981, many carriers have been able to drastically reduce labor costs as a percentage of total costs through wage rollbacks, new work rules and bargaining with unions for the right to hire new workers at much lower wage rates. Delta, primarily a nonunion company, continues to be plagued by high labor costs.

In the second quarter of 1985, for example, labor costs were 43% of total operating expenses, up from 41% in the same quarter of 1984. That compares with highly unionized Eastern's labor expenses of 36% in second quarter of 1985, and 23% at Continental Air Lines, a nonunion company that pared its labor costs to the bone through Chapter 11 bankruptcy proceedings.

Delta has the chance in coming months to make some headway in labor negotiations. The pilots' union contract expired Aug. 31, 1985, and is in renegotiation.

Delta's board on May 1, 1985, appointed Whitley Hawkins senior vp-marketing, succeeding J.A. Cooper, who retired. At the same time, Delta promoted several system managers to directors, including Harry Dunham, director-marketing services; Al Kolakowski, director-field marketing; Charles E. Doherty, director-dining service; and Jenny R. Poole, director-inflight service.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	26,332	31,810
Magazines	340	1,077
Network cable	296	56
Spot tv	10,823	8,227
Network tv	4,396	3,603
Spot radio	19,321	15,309
Outdoor	1,591	1,768
Total measured	63,098	61,849
Total unmeasured	3,802	3,151
Estimated total	66,900	64,999

DELTA AIR LINES
Hartsfield Atlanta International Airport
Atlanta, Ga. 30320
(404) 765-2600
Marketing Personnel

W. Whitley Hawkins, senior vp-mktg
Robert W. Coggin, asst vp-mktg devel
Dave Anderson, system mgr-mktg devel
Bob Stevenson, system mgr-scheduling
Marcy McCann, system mgr-traffic
John Such, system mgr-mktg automation
Joe Betts, regional traffic mgr-north
Gloria Reichard, regional traffic mgr-west
Sam Murphy, regional traffic mgr-south
Kevin Smith, regional traffic mgr-central
Albert Kolakowski, dir field mktg
Bill Downes, regional mgr mktg-south
Fred Rollins, regional mgr mktg-east
Vince Durocher, regional mgr mktg-west
Russ Gariota, regional mgr mktg-north
Harry Dunham, dir-mktg services
Fred Hopmeier, dir-intl mktg
James N. Porter, dir-adv & sales promo
Wayne Soph, mgr adv
John N. White, mgr-promo media
Leslie Reiken, mgr-promo programs
Jim Rutledge, mgr-sales promo production

Advertising Agencies

BDA/BBDO, Atlanta—Glenn Verrill, president-mgmt super; Jack Walz, senior vp-acct super; Al Boam, vp-acct exec; Gail Waldrop, vp-acct exec; Bill Cromartie, acct exec.

E.I. du Pont de Nemours & Co.

RANK 79

Wilmington, Del.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	35,915	35,387	1.5
Net income	1,431	1,127	27.0
U.S.			
Sales	24,286	24,562	-0.3
Operating profits	1,318	982	34.2
Advertising	91	77	18.2
Division sales			
Biomedical prods.	1025	1,050	-2.4
Industrial prods.	2,831	2,546	11.2
Fibers	4,660	4,772	-2.4
Polymer prods.	3,641	3,401	7.1
Agri./industr. chem.	3,704	3,534	4.8
Petro production	2,067	1,865	10.8
Petroleum mktg.	16,415	16,803	-2.3
Coal	1,572	1,407	11.7

E.I. du Pont de Nemours & Co., Wilmington, Del., which reported net income of $1.43 billion in 1984, up 27% from 1983, on sales of $35.9 million, up 1.5%, was the nation's 79th largest advertiser.

Estimated total U.S. advertising was $91 million, up 18.2% from a restated $77 million in 1983. Of the total, measured advertising increased to $57.2 million from $50.3 million in 1983.

Sales were down substantially in the second half of 1984 and continued to slide into the first quarter of 1985, forcing earnings down in the process. In the second quarter of the current fiscal year, Du Pont earnings dropped to $268 million from $437 million in the corresponding period a year ago, as sales dropped 6% to $8.5 billion.

During 1984, five of Du Pont's eight industry segments showed sales gains: Industrial and consumer products were up 11.2%, to $2.83 billion; polymer products rose 7.1%, to $3.64 billion; agricultural and industrial chemicals showed a 4.8% increase, to $3.7 billion; petroleum exploration and production was up 10.8%, to $2.07 billion, and coal sales increased 11.7%, to $1.57 billion.

Sales losses in almost identical percentages were experienced in biomedical products, down 2.4%, to $1.03 billion; fibers, down 2.4%, to $4.66 billion, and petroleum refining, marketing and transportation, down 2.3%, to $16.42 billion.

Du Pont fibers accounted for the biggest part of the corporation's $57.2 million in measured 1984 advertising. Antron fibers, used in carpets and wearing apparel, drew $8.5 million in measured advertising, up 16.4% from 1983. About $2.3 million was spent in tv and radio for the products; the remainder was in magazines and newspaper supplements.

Du Pont's Dacron fibers drew $3.6 million in measured advertising in 1984, down almost 22% from 1983. All the 1984 Dacron advertising was in magazines and newspaper supplements.

Another big advertising category was Du Pont's Lycra fabrics, with $3.5 million in measured advertising, again all in magazines and supplements. Lycra advertising was down almost 35% from 1983. A general fabric category, which includes Jantzen and Sea Fashions of California brands, drew slightly less than $2 million in advertising, up 33% from 1983.

Other large advertising expenditures in 1984 were Silverstone cookware coatings, $8.8 million, up 17.3%. Of that total, $4.1 million was generic tv advertising, with the remainder magazine ads for specific Silverstone-coated products such as Bake King, Mirro and Regal Ware.

Du Pont's Teflon products accounted for $2.9 million in advertising expenditures for carpeting protectors, coatings and stain repellents, all but $78,000 of that was in magazine ads. Expenditures for Remington Arms, a subsidiary of Du Pont, dropped 32% to $359,300.

For years one of nation's largest corporate-image advertisers, Du Pont spent $9.3 million in that category in 1984—99% of it on tv—a 24% increase over 1983.

Over-all in 1984, Du Pont spent $27.4 million in magazines, $22.5 million on tv, $2.2 million in radio and $4.1 million in farm publications. Network cable expenditures increased 58% to $152,000 in 1984.

F.G. Smith, manager of Du Pont's industrial accounting section, says the $33 million in unmeasured 1984 advertising included prizes, premiums, promotions, trade shows and salaries for advertising staff. Among specific expenditures in 1984 in this category were $10 million for trade shows and $11 million for technical literature for corporate customers, he says.

Like many other large companies that once dealt almost exclusively in chemical products, largely a no-growth industry in the past five years, Du Pont has been diversifying.

In 1981, Du Pont paid $7.8 billion for Conoco, a petroleum company, a move that drew criticism among industry analysts. But Du Pont has reduced its debt ratio to 25% from 42% since 1981, at the same time investing $12.5 billion in capital products, petroleum exploration and r&d. Last fall it opened an $85 million life sciences complex near Wilmington, a new biotechnology development facility at Glasgow, Del., and a new biomedical research laboratory in Billerica, Mass.

More than 50% of Du Pont's businesses are specialty products; it has been regularly buying into electronics and biotechnology companies.

In 1984, Du Pont was licensed by the University of Pennsylvania School of Medicine to develop and market an artificial blood product patented by the institution. The product could be on the market within three years.

New areas in which Du Pont is advertising heavily include a $1 million tv and radio campaign for a new stretch polyester fiber called Denimotion and a radio and tv campaign keyed to Detroit designed to persuade auto designers to abandon steel in favor of a new generation of plastics in automotive bodies. Developed by N W Ayer, New York, the tv commercials show the use of Du Pont thermoplastic auto body parts in the Pontiac Fiero and other cars. Spots carry the theme, "For quality in automotive development."

The $2 billion-a-year automotive plastic market will increase to some $10 billion by the year 2000, Du Pont executives forecast.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	752	1,532
Magazines	27,430	26,147
Network cable	152	96
Spot tv	5,465	2,554
Network tv	17,105	13,435
Spot radio	1,391	1,633
Network radio	818	771
Outdoor	8	3
Farm pubs	4,053	4,119
Total measured	57,173	50,289
Total unmeasured	33,827	26,711
Estimated total	91,000	77,000

DU PONT
1107 Market St.
Wilmington, Del. 19898
(302) 774-2424
Marketing Personnel

C.E. Crowley, vp
H.E. Davis, div dir
P.G. Byers, polymer prod dept, engineering materials, corp automotive communications
C.M. Ferraro, polymer prod dept, specialty polymers & pkg prod
E.S. Weber, polymer prod dept, industrial polymers & industrial films
J.P. Swan, chemicals & pigments, petrochemicals dept
J.M. Murray II, div dir
T.E. Minnich, biomedical prod dept, diagnostic & bioresearch systems & pharmaceuticals operations
J.C. Maneval, photosystems & electronic prod dept, Berg electronics, electronic specialties
D.E. Weiss, photosystems & electronic prod dept, photosystems
G.W. Hale, agricultural chemicals dept
R.W. Nightingale Jr., div dir
R.A. Hotchkiss, intl dir
J.B. Boyer, textile fibers dept, industrial fibers, engineered non-woven structures, carpet fibers, fiberfill
M.R. Tyler, textile fibers dept, apparel, home fabrics
R.E. Williams, div dir
D.E. Motz, finishes & fabricated prod dept, refinish, Tedlar, Dymetrel, heat exchangers, Vespel, Remington abrasives, intrument systems, Kalrez, Remington powder metals, methacrylates, specialty services, adhesives
N. Kwick, finishes & fabricated prod dept, explosives (smokeless powder), Stren, Remington Arms Co.
J.S. Swajeski, finishes & fabricated prod dept, Silverstone cookware, Teflon, industrial, Teflon lubes, Corian
J.B. Brett, finishes & fabricated prod dept, maintenance painting services, Aldyl pipe, filaments, new business devel
C.E. McCurdy, div dir, graphic communications
H.P. Root, div dir, mktg rsch
J.B. Brett, corp adv
J.R. Murphy, publications section
F.G. Oswald, adv mgr-textile fibers dept, apparel & home fabrics

Advertising Agencies

N W Ayer, New York—finishes & fabricated prod, polymer prod, photosystems & electronic prod, chemicals & pigments, petrochemicals, staff depts, textile fibers' industrial & spunbonded prod—George H. Eversman, exec acct dir.

Barnum Communications, New York—pharmaceutical prod, diagnostic & bioresearch, medical X-ray prod—Marvin Amster, vp-acct super.

BBDO, New York—textile fibers' apparel, carpet fibers, home furnishings, fiberfill prod, corp ad programs—Bernard Gross, senior vp-mgmt super; Joseph Crowley, senior vp-mgmt super.

Kelly Advertising, Lancaster, Pa.—Berg electronics & electronic specialties—R.L. Kelly, president.

Rumrill-Hoyt, Rochester, N.Y.—agricultural chemicals, Remington Arms, chemicals & pigments, petrochemicals—R.D. Thomson, senior vp; D. Weber, dir-client services.

Sudler & Hennessey, New York—biomedical prod—L. Gamza, senior vp-president, mgmt super.

Eastern Air Lines

RANK 99

Miami

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	4,364	3,942	10.7
Net income	-38	-184	79.4
Advertising	61	71	-14.4
Division sales			
Passenger	3,898	3,608	10.6
Cargo	209	183	14.2
Other	166	151	9.8

Eastern Air Lines, long considered an endangered species, is flying high as it makes its way back to record profitability in 1985 after five consecutive years of losses. But Miami-based Eastern, the nation's 99th largest advertiser in 1984, still may be in for a bumpy flight in the hotly competitive market for air passenger travel, analysts say.

Eastern's estimated ad spending in 1984 fell 14.4% over-all to $60.8 million, including $53.5 million in spending in nine measured media. The biggest cut in measured spending was for newspapers, which fell 18% to $18.7 million.

The largest percentage cut was for network tv, dropping 58% to a measured $3.8 million as Eastern shifted its advertising strategy to bolster traffic in spot markets, a company spokesman says. Measured spending for spot tv increased 30% to $15.9 million in 1984, but spot radio fell 32% to $5.7 million in 1984.

The year 1984 was a watershed financially for troubled Eastern, with $4.36 billion in revenues, up about 10% over 1983, a year characterized by bloody fare wars between major carriers and upstart low-cost airlines.

Eastern's $189.6 million in operating profits for 1984 was the highest in its history, and compared with an operating loss of $100.1 million. Despite this performance, however, Eastern took a net loss in 1984 of $37.9 million, which still was a vast improvement over its net loss of $183.7 million in 1983.

First-half performance in 1985 was significantly improved with total revenues of $2.5 billion, up 13% over 1984. Net income in the first half of 1985 was $49.8 million, compared with a net loss of $52.3 million for the same period in 1984.

But Eastern's net income in the first half of 1985 was even better than reported figures would indicate, considering Eastern deducted $72.5 million in profit sharing before arriving at the $49.8 million figure. During labor negotiations, Eastern granted profit sharing payment if 1985 earnings exceeded $90 million.

Under cost-saving agreements, which Eastern said it needed to avert bankruptcy, most employes gave up 18% to 22% of their pay in exchange for 25% of Eastern's common stock, according to company reports. Employes also received 3 million shares of junior convertible preferred stock and representation on the board of directors. The wage agreements gave Eastern a $290 million improvement in operating profits in 1984.

Because Eastern made provisions in mid-1985 to disburse profit sharing funds, its earnings for 1985 are expected to well exceed the $90 million target, analysts say. Earnings in 1986 will not be hurt because the dispersement is for one year only.

Eastern's 1984 advertising focused heavily on its 38,400 employes, emphasizing their service and commitment, expressed in the theme: "We earn our wings every day."

Another important reason for Eastern's increased profitability is record-setting U.S. domestic and international passenger traffic. Experts say discount fares have stimulated discretionary air travel. Salomon Brothers, New York, estimates over-all domestic traffic growth for the industry through 1985 could reach 12%.

Industry capacity growth also has lagged traffic growth, resulting in increased load factors of more than 5% per month for the months March through July, 1985. Eastern's traffic in July, 1985, for example, was up 17.5% over July, 1984. The added traffic outstripped Eastern's capacity increase of 9.8% in 1985, increasing its load factor 4.2% over July, 1984.

At the same time, however, Eastern's passenger yield, a measure of average revenue from flying a paying passenger one mile, fell 2% in the second quarter of 1985. This followed an industrywide downward trend in yields during the first half of 1985, especially in the second quarter when many carriers matched fare reductions introduced by United Airlines as it sought to recover from its 29-day strike in May and June, 1985.

While Eastern's domestic market share in the first half of 1985 remained virtually unchanged at 11.3%, the number of passengers systemwide increased to 21.3 million in the first half of 1985, up 12% over the same period in 1984. United's market share dropped to 14.4% from 18.6% over the same period, according to First Boston Corp., New York.

For the industry as a whole, the percentage of passengers flying on discount increased from 77.6% in January, 1984, with an average discount of 48.1%, to 84% in June, 1985, with an average discount of 55.2%, according to Salomon Brothers. But the rising number of discount fares, in some instances, had a positive effect on earnings as a result of innovative marketing.

Eastern, for example, introduced in late 1983 its "Get-Up-And-Go" passport for senior citizens, which sold for $1,199 and allowed unlimited travel between 100 mainly domestic Eastern cities as often as once a week. The program generated millions in revenue for Eastern, which announced its continuation in 1985, with international travel options through British Airways, El Al, Air France, Alitalia and Eastern's Latin American service.

Route restructure and yield management, which help to make the most of limited resources, also played a role in Eastern's improved performance. For example, in the Houston market, where Eastern competes heavily with Houston-based Continental Airlines, the nation's largest low-cost carrier, Eastern in 1984 announced a 50% reduction in operations. Eastern cut daily flights from 36 to 20, and reallocated 12 aircraft to its more profitable Atlanta hub, where it added 35 flights and service to four cities.

This paid off in the northeast-to-Florida markets, where it competes heavily with low-cost People Express and with Delta Air Lines. Eastern in 1984 matched People's fares, and increased capacity in this market by 23% in 1984, strengthening its dominant position.

In scaling back scheduled service in Houston, Eastern found a way to compete with low-cost carriers' fares, and to capitalize on its passenger and cargo handling strengths there through an agreement with CF Airfreight, a Palo Alto, Cal.-based subsidiary of Consolidated Freightways. Eastern also began April 1, 1985, providing overnight freight delivery to and from 10 U.S. cities and its Houston hub, and no-frills, low-cost passenger service that it calls "Moonlight Special."

Using seven wide-body A-300 Airbus planes, Eastern is able to offer the aircraft's 252 seats at almost pure profit, covering operating costs with the freight-hauling agreement. Load factors for the new service have been running about 90%, company sources say. Another advantage of Moonlight Special is that it taps into price-sensitive markets without drawing heavily from higher-yield business travelers.

In the important business passenger

segment, Eastern nearly doubled membership in its Frequent Traveler Bonus Program to 1 million members in 1984 with added incentives and a membership drive. Eastern expanded the program to include travelers using Trans World Airlines, British Caledonian, Aer Lingus, SAS, CP Air, 11 commuter carriers, plus Hertz Rent-A-Car, General Rental and Marriott Hotels.

Eastern also wooed vacation travelers in 1984 with "See Your Way Clear" vacation packages designed to increase off-peak travel to the Caribbean. The attractively priced vacations included airfare and land arrangements utilizing a three-zone pricing scheme for travelers originating in the East, Midwest and West.

Eastern's international routes were bolstered in July, 1985, when Eastern began service between Miami and London, a route previously operated by now defunct Air Florida.

Eastern Airlines also benefited in 1984 by a 27-day strike at Pan American World Airways in February and March, 1985.

International air travel, however, is an area of concern to securities analysts. While industrywide international traffic in the summer of 1985 experienced double-digit growth rates, capacity increases exceeded traffic additions, and load factors (percentage of seats filled) fell 2.5%, with a corresponding drop in earnings. Trans-Atlantic traffic is projected to fall in 1986 by 5% because of a weakening U.S. dollar.

In other developments at Eastern, a major reorganization of senior management early in 1985 gave Joe Leonard, formerly senior vp-operations service, responsibility for day-to-day operation of the company.

It was the first indication of a possible successor to Frank Borman, chairman, president and ceo. Mr. Borman, 57, said he is turning his full attention to strategic and external issues affecting the long-term course of the airline.

Mr. Leonard left American Airlines in April, 1984, to join Eastern as vp-operations services and was promoted to senior vp in January, 1985. Other possible successors to Mr. Borman are members of the newly created office of the chairman, including Morton Ehrlich, senior vp-planning, and Wayne Yeoman, senior vp-finance.

Other appointments Aug. 1, 1985, included John Nelson, senior vp-marketing; G.J. Brennan, vp-passenger sales, and R.F. Blake, vp-marketing, planning and research.

Also noteworthy was the departure in mid-1985 of Russell Ray, former senior vp-marketing, to PSA Airlines.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	18,654	22,461
Magazines	3,955	5,838
Network cable	3,395	0
Spot tv	15,879	12,237
Network tv	3,860	9,398
Spot radio	5,708	9,218
Outdoor	2,071	2,469
Total measured	53,521	61,621
Total unmeasured	7,279	9,379
Estimated total	60,800	71,000

EASTERN AIR LINES
Miami International Airport
Miami, Fla. 33148
(305) 873-2211

Marketing Personnel

John Nelson, senior vp-mktg
G.J. Brennan, vp-passenger sales
Paul C. Auger, vp-mktg programs
W.H. Dowse, vp-adv
R.F. Blake, vp-mktg, planning & rsch
Mike McPhillips, mgr-vacation adv
R.A. deCespedes, mgr-intnl adv
B.F. Walsh, mgr-business adv
R.A. Wolf, mgr-adv services
Robert J. Bauer, mgr-sales promo

Advertising Agency

Campbell-Ewald, Warren, Mich.—Joseph V. Karle Jr., group senior vp-mgmt super; Robert F. Henry, senior vp-associate mgmt super; David W. Roddy, Michael Rogers, Jerry Yarbrough, vp acct supers; Dale McAfee, acct super; Teri Steele, senior acct exec; Steve Janicak, Marylisa Germain, asst acct execs; Jacquie Hurley, acct exec-mgr traffic. Miami-Latin America—Gunther Saupe, senior vp-mgmt super; James Power, vp-acct super; Maruja Roger, vp-acct super; Fernando Bonet, asst acct exec; Vicky Perez, asst acct exec.

Eastman Kodak Co.

RANK 24

Rochester, N.Y.

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Sales	10,600	10,170	4.2
Net income	923	565	63.4
U.S.			
Sales	7,118	6,636	7.3
Operating profits	N/A	N/A	N/A
Advertising	301	273	10.3
Division sales			
Imaging	8,380	8,097	3.5
Chemicals	2,464	2,285	7.8

Mired in a mature market for photographic products, Eastman Kodak Co., Rochester, N.Y., underwent fundamental change in 1984 as it sought new opportunities in electronic imaging and information handling.

The company was the 24th largest national advertiser in 1984 with an estimated $301 million spent in the U.S. on advertising and promotion, up 10.2% over a restated $273 million in advertising and promotion in 1983. Worldwide, Kodak spent $430 million in 1984, compared with $390 million on advertising and promotion in 1983, according to the company.

While still deriving 80% of its $10.6 billion in 1984 sales from photographic products, Kodak began focusing on high technology in 1984, consumer and commercial electronic products and magnetic media. Their growing importance was indicated by a restructure early in 1985 of the huge photographic division, breaking operations into product lines handled by 17 operating units, each with profit-and-loss responsibility. Kodak also created a venture capital review board to stimulate fast entrance into new markets.

The renamed Photographic and Information Management division signals Kodak's decision to place development of new business on an equal footing with film sales, Kodak's cash cow, analysts say.

"What they are doing is trying to have more entrepreneurial groups so they can move into high technologies much more quickly than in the past," says Eugene G. Glazer, securities analyst with Dean Witter Reynolds, New York.

"They want to become a lot more flexible," agrees Peter Enderlin, of Smith Barney, Harris, Upham, New York. "They're looking for products with shorter life cycles, and they are trying not to do everything internally."

Kodak's centralized, vertical integration, which traditionally has controlled every step in manufacture of a product, to the extent of making the plastic in camera housings, limits its ability to compete in fast-paced markets, Mr. Enderlin says. The company needs to further trim personnel, decentralize and hone the ability to react quickly in new markets, he says.

Mr. Glazer says Kodak hasn't much choice but to pursue new opportunities if it hopes to meet its eventual goal of 20% annual growth. Its huge market share of amateur color film leaves little room for growth. Partly for this reason, average return on assets has slipped from 20% in the late 1970s to 7.5% in 1983 and 12.6% in 1984.

Although 1984 was a strong year for earnings, the anticipated lukewarm followup in 1985 points up weakness. Sales in 1984 were $10.6 billion, up 4% from 1983, with net earnings of $923 million, up 63%. Sales for the first half of 1985 were $4.58 billion, down 2% from the same period in 1984, with net earnings of $279.5 million, down 28%.

Colby Chandler, chairman-ceo, and Kay Whitmore, president, attributed the declining 1985 results mainly to the adverse impact of the overvalued U.S. dollar, coupled with depressed selling prices in the chemicals industry, among other factors.

Analysts recognize these conditions, but also point out the increasing competition and Kodak's reliance on sales of amateur film and cameras as other problems. Competition, for example, forced Kodak to hold steady on film prices in the first half of 1985 and offer a 3% dealer rebate on sales exceeding 1984 levels, Mr. Enderlin says.

Such wariness for a company with an estimated 80% to 85% market share of amateur color film reflects concern about competitors, such as Fuji Photo Film Co., which is believed to have a 9% market share, and Agfa-Gavaert, 3M and Konishi Roku, which are thought to control about equal shares of the remaining 10% to 12%.

Kodak's new marketing directives had an impact on 1984 ad spending. Measured outlays for amateur film fell 21% to $32 million in 1984, 66% of which was for network tv, 20% spot tv, 9% magazine, and 5% network radio and outdoor. However, measured spending for instant cameras and film received $12.5 million in 1984, divided roughly 80% network tv, 20% magazine. The spending was nearly quadruple 1983 introductory levels.

Kodak's measured media boomed for product categories in markets with fast growth potential, such as office automation, consumer electronics and commercial imaging systems. Measured spending for copiers, for example, jumped 67% to $3.4 million. Kodak also announced plans in mid-1985 to introduce electronic publishing and image management systems, further evolving its base from photography to imaging.

An acquisition binge that began in 1981 has brought five new subsidiaries into the corporation, making ink-jet printing systems, electronic publishing and magnetic data recording systems. Kodak executives say these acquisitions and others may be necessary to acquire technology not available in-house, or to buy market share that would be hard to build.

An example of the latter is Kodak's entrance into the $4 billion market for floppy discs with its March, 1985, acquisition of Verbatim Corp., Sunnyvale, Cal., for $174.5 million. Verbatim, the market leader, has an estimated 18% share, about equal to Xidex Corp. Next are 3M, Hitachi and Maxell, each with 10%-plus market-share, analysts say.

The move puts Kodak well ahead of archrival Polaroid, which also aggressively entered the floppy disc market in 1984. Kodak and Polaroid are keen on the technology because the product increasingly will be used to store photographic and electronically produced images.

Videocassettes represent another new market for Kodak with introduction in 1984 of half-inch tapes in VHS and Beta formats. Measured 1984 spending for Kodak videocassettes vaulted to $7.5 million. Analysts say Kodak, with its far-flung distribution system and its image as America's premier picture-taker, is positioned to dominate the $500 million market, although its market share is now estimated to be less than 10%.

Kodak's videocassettes are made by TDK Corp. of America, but analysts speculate manufacturing will be brought in-house. Once again, Polaroid, which introduced half-inch videocassettes in 1984, is a key competitor.

Kodak also attacked the consumer electronics market with its "camcorder," an 8mm camera/video recorder unit introduced in September, 1984, which received only $1.2 million in 1984 measured media, but is expected to blossom in 1985. The product is manufactured by Matsushita Corp. McCann-Erickson, New York, received the advertising assignment.

Kodak is encountering tough competition in the fledgling camera/recorder business from Sony Corp., RCA and General Electric. The latest development in spring of 1985 was introduction of 8mm videocassette recorders by Kodak and Sony with digital stereo sound, indicating evolution beyond simple picture-taking/playback devices.

Kodak apparently is having difficulty cracking the sagging instant camera and film market. Polaroid dominated the market in 1984 with sales of 3.6 million cameras, down 5.6% from 1983. Annual unit sales of instant cameras have fallen dramatically from their peak of 9.4 million units in 1979. Analysts attribute the problem to a saturated market and consumer preference for better-quality photos from 35mm cameras.

Kodak announced in March, 1985, plans to produce a 35mm unit in a joint venture with Chinon Industries of Japan, a technology partner. However, analysts doubt the camera will see U.S. introduction because of competition at mid- to high-price points, and because it would erode sales of Kodak's other cameras at lower price points.

Other major measured spending in 1984 included $6.2 million for photographic paper, mostly in network tv, which was unchanged from 1983 levels.

Kodak also had measured spending of $30 million, mostly network and spot tv, for several new disc cameras and new color disc film, down 3% from 1983.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	4,523	5,163
Magazines	16,932	1,665
Network cable	583	965
Spot tv	9,328	8,649
Network tv	65,707	56,454
Spot radio	1,729	988
Network radio	904	726
Outdoor	1,355	1,719
Total measured	101,060	76,329
Total unmeasured	199,940	196,671
Estimated total	301,000	273,000

EASTMAN KODAK CO.
343 State
Rochester, N.Y. 14650
(716) 724-4000

Marketing Personnel

Photographic & Information

J. Phillip Samper, exec vp-genl mgr

Commercial & Information Systems

Lawrence J. Matteson, group vp-genl mgr
Edgar J. Greco, vp-genl mgr, business imaging systems div
J. Raymond Sutcliffe, vp-genl mgr, mktg, business imaging systems div
Chas L. Trowbridge, vp-genl mgr, govt systems div
C. Harold Gaffin, vp-genl mgr, graphics imaging systems div
William E. Sherman, vp-genl mgr, mktg, graphics imaging systems

Diversified Technologies

Wm F. Fowble, grp vp, genl mgr
Robert T. Hamilton, vp-genl mgr, clinical prod div
Peter M. Palermo, vp-genl mgr, health sciences div
John R. Zeman, vp-genl mgr, mktg, health sciences div
Peter Giles, vp, genl mgr, mass memory div

Photographic Products

Wilbur Prezzano, group vp-genl mgr
Ronald L. Heidke, vp-genl mgr, consumer prod div
John J. Powers, vp-genl mgr, mktg, consumer prod div
William P. McCarrick, vp-genl mgr, Kodak Processing Labs
William A. Koch, vp-genl mgr, motion picture & av products div
Robert C. Sharp, vp-genl mgr, photofinishing systems div
Raymond H. DeMoulin, vp-genl mgr, professional photography div

Manufacturing Equipment

Richard Kleinhans, senior vp-genl mgr
Chas P. Spoelhof, vp-asst genl mgr, Kodak apparatus div

Manufacturing & Support

Cornelius Murphy, senior vp-genl mgr
Wendel W. Cook, vp-genl mgr, Kodak park div
Gordon C. Belshaw, R. Frederick Porter, vps-asst genl mgr, Kodak park div

Customer/Marketing Support

Frank P. Strong, senior vp-genl mgr
Anthony Frothingham, vp-dir, internl support services
John Barnes, vp-dir, mktg services
Robert Van Duyne, vp-genl mgr, customer equipment services
Robert H. Graulich, vp-genl mgr, distribution

International

John E. Riggs, vp-genl mgr, Asia, Africa, Australia
W. Richard Haines, vp-genl mgr, Europe
Albert L. Sieg, vp-genl mgr, Japan
Robert L. Smith, vp-genl mgr, Latin America

Advertising Agencies

Baker, Lovick Ltd., Toronto—Canadian

Top 25 network cable advertisers

Rank	Advertiser	Network cable ad expenditures ($000) 1984	1983	% chng	as % of co.'s 1984 ad total
1	Procter & Gamble Co.	$24,182	$15,172	59.4	2.8
2	Anheuser-Busch Cos.	15,478	15,761	(1.8)	4.2
3	General Foods Corp.	13,169	11,290	16.6	2.9
4	General Mills	11,339	10,259	10.5	4.0
5	Time Inc.	7,192	5,518	30.3	5.4
6	Ford Motor Co.	6,892	5,087	35.5	1.2
7	Bristol-Myers Co.	6,242	6,506	(4.0)	2.4
8	Toyota Motor Sales Co.	5,391	5,248	2.7	3.9
9	Beatrice Cos.	5,085	90	N/A	0.7
10	Thompson Medical Co.	4,456	1,016	338.5	N/A
11	Kellogg Co.	3,594	2,462	46.0	1.7
12	American Telephone & Telegraph	3,457	2,789	23.9	0.6
13	Eastern Air Lines	3,395	0	N/A	5.6
14	American Home Products	3,352	4,387	(23.6)	0.8
15	General Motors Corp.	3,157	4,549	(30.6)	0.4
16	Sears, Roebuck & Co.	3,120	2,566	21.6	0.4
17	Warner-Lambert Co.	2,922	1,997	46.4	0.7
18	Wm. Wrigley Jr. Co.	2,884	2,514	14.7	4.1
19	Clorox Co.	2,813	2,094	34.3	2.6
20	Coca-Cola Co.	2,756	2,605	5.8	0.8
21	Chrysler Corp.	2,327	1,621	43.5	0.7
22	Ralston Purina Co.	2,131	1,098	94.0	0.5
23	Canon Inc.	1,948	1,949	(.0)	1.9
24	Campbell Soup Co.	1,789	1,203	48.8	1.3
25	Urban General Corp.	1,760	2,100	(16.2)	N/A

Source: Broadcast Advertisers Reports

commercial prod—Murray Lamont, senior vp-acct dir; G. Schich, vp-acct exec; John Huckle, acct coord; Dave MacLeod, acct consultant; Frank Wehrmann, senior planner.

McCann-Erickson, New York—consumer electronics, videotape cassettes, 8mm Camcorder—Michael Sennott, senior vp-mgmt rep; John Donner, senior vp-acct dir; Mark Tartell, acct exec.

McCann-Erickson, Toronto—Canadian photographic & electronic prod—Peter Finlayson, vp-group head; Chris Cathcart, acct dir; Hinal Matthew, acct super; Nancy MacKay, acct exec; David Gordon, acct super-cameras; Byron Garby, acct exec-cameras; Martha MacDonald, asst acct exec-cameras.

Rumrill-Hoyt, Rochester, N.Y.—print trade, audiovisuals, some business, scientific & industrial—J.M. Valerio, president-ceo; D. Fisher, senior vp-group mgr.; Vicki Lewis, vp-assoc group mgr; Robert Davison, vp-acct super; Ralph Simolo, vp-acct super; Cheryl Schifino, acct exec; Marlene Morgan, acct exec; David Nevergall, acct exec.

Sieber & McIntyre, Chicago—health care prod—David McCarty, exec vp; Eric Edstrom, group acct super.

J. Walter Thompson USA, New York—traditional photo prod, disc cameras & film, some business, industrial & technical—Peter Schweitzer, senior vp-acct dir; Mitchell Brooks, senior acct super-film; Warren Milich, acct super-film; Patricia Ioannides, acct exec-film; Nevill Smythe, acct exec-film; Gary Steele, vp-senior acct super-disc cameras; Judi Francis, acct super-disc cameras; Diane Wainwright, acct exec-disc cameras.

Young & Rubicam, New York—instant photo prod—Roby Harrington, senior vp; Mitch Kurz, vp-mgmt super; Paul Abry, vp-acct super; Susan Santinelli, acct exec.

EASTMAN CHEMICAL PRODUCTS

Kingsport, Tenn.

Marketing Personnel

G.O. Trabue, senior vp-mktg, Eastman chemical prod div
T.L. Shealey Jr., mktg dir-textile fibers
J.C. VanAudenhove, mktg dir-filter prod div
C.B. Fox, mktg dir-new prod div
B.E. Moore, mktg dir, intl dir
W.T. Ambrogi Jr., dir-chemicals field mktg div
N.M. Atkins, dir-prod mktg mgmt, chemicals div
P.J. Trent, dir-plastics field mktg div

Advertising Personnel

(New York)

B.F. Roberts, vp-adv
A. LaManna, dir-adv
K.P. Lawless, mgr-fibers adv
V.V. Reisig, mgr-chemicals adv
T.W. Lyons, mgr-plastics adv
M. Hennessy, mgr-intl adv
J.F. Horne, mgr-promo
H.E. Reebel, mgr-adv services

Advertising Agency

Leber Katz Partners, New York—all prod worldwide—Chip Evans, exec vp; Jack Benoze, senior vp-mgmt super; Randie Goldstein, acct exec.

VERBATIM CORP.

Sunnyvale, Cal.

Marketing Personnel

Joerg Agin, acting vp mktg.

Advertising Agency

D'Arcy McManus Masius, San Francisco, Cal.—all prod—Doug Glen, senior vp-mgmt super.

Ford Motor Co.

RANK 8

Dearborn, Mich.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	52,366	44,455	17.8
Net income	2,907	1,867	55.7
U.S.			
Sales	36,788	28,375	29.6
Operating profits	2,391	1,516	57.7
Advertising	559	484	15.5

Ford Motor Co., Dearborn, Mich., which in 1983 recorded the largest turnaround from a loss position in U.S. corporate history, built on that strong performance in 1984 as it increased U.S. advertising spending by 3.8%, to $559.4 million, over the previous year.

Ford, the 8th largest national advertiser, posted worldwide earnings of $2.91 billion, up 55.7% from 1983. Worldwide sales rose 17.8% to $52.4 billion.

The increase was a result of higher unit sales and an increased mix of larger vehicles.

In the U.S., net income was $2.4 billion, compared with $1.5 billion in 1983. The company's 1984 U.S. car market share improved to 19.2%, a 2% surge from 1983 and Ford's highest share since 1979. General Motors share was 44.6% and Chrysler's 10.4%.

Ford is expected to build on that market share in 1985. In the first half there was heavy selling of Tempo, Topaz and Escorts although profits were reduced because of financing programs. Such stepped-up marketing costs added to a higher tax rate (38% in 1985 vs. 27% in 1984) contributing to a 23.1% drop in second-quarter income to $699 million. Sales slipped in the quarter 1.3% to $13.8 billion on factory sales of 1.45 million units compared with 1.51 million a year earlier.

Outside the U.S., net income during 1984 rose 47% to $516 million because of higher earnings in Canada and the Asia-Pacific region and reduced losses in Latin America. In Europe, 1984 profits declined even though Ford was the car sales leader there for the first time. The decline reflected higher marketing costs and a less profitable mix of vehicle sales. Analysts say Ford, like General Motors, "bought share" with lower prices.

Ford channeled virtually all of its increased ad spending into factory contributions to dealer advertising associations: Groups of dealers in individual markets that pool advertising funds to promote special sales or ongoing events and are usually big enough to hire their own agencies.

Ford and Lincoln-Mercury divisions plan special projects with various dealer associations and typically contribute $1 for every $2 or $3 the dealer groups put up.

Ford's direct factory media spending actually dropped $2.06 million in 1984 to $477 million, which can in part be traced to less rebate and low-cost financing advertising and fewer new products than in 1983. Ford division factory advertising was virtually unchanged at an estimated $297 million and L-M rose 15% to an estimated $115 million.

But Ford division contributions increased to an estimated $59.4 million from $45 million in 1983, and L-M rose to an estimated $23 million from $16 million in 1983. Cars in the Ford division recorded some of the larger measured media totals, according to the six-media monitored by Leading National Advertisers—Escort $17.5 million, down 11% from 1983; Ford LTD $13.9 million, up 10.3%; Ford Mustang $14.8 million, up 59%; Ford Tempo $28.1 million, up 1.8%.

Ford sold 1,979,317 cars in the U.S. in 1984, up 26% over 1983. Ford division, which accounted for 1,300,644 units, showed a unit sales increase of 22.7% over 1983. L-M sales reached 678,673 units, up 32.8%.

The Ford Escort continued to be the company's top seller with 353,578 units sold in 1984, reflecting an 8.4% increase over 1983. The Lincoln Continental, however, showed the greatest unit sales increase—up 127.2%—with 31,110 vehicles sold.

Ford also sold 1,166,715 trucks in the U.S., the greatest volume coming from pickups and the Ford Ranger with unit sales of 540,885 and 220,687, respectively. The largest increases were in heavies, up 59.1%, and the Bronco II, up 55.2%.

Ford has been on the diversification path since 1983 and has had the cash to do so. In 1984, Ford purchased a 70% interest in the California-based Starnet Corp., a commercial telecommunications company. In 1985, Ford made a bid for Hughes Aircraft Co., El Segundo, Cal., but lost out to GM.

In July, Ford Motor Credit Co. formed a heavy equipment leasing company and Ford agreed to purchase for $493 million First Nationwide Financial Corp., San Francisco, the ninth largest U.S. sales & loan, to diversify its financial services. Ford also announced it will spend $20 million for a minority interest in American Robot Corp., Pittsburgh, and it has an agreement with General Electric to jointly develop a fully automated operation to produce electric motors.

During 1984, Ford increased its measured advertising 4.5% to $387.4 million. In doing so, it boosted newspapers 25% to $62.1 million; magazines 21% to $97.1 million; network cable 33% to $6.9 million, and spot tv 5.4% to $39.5 million. However, it cut spending in three media—network tv by 4.7% to $164.3 million, spot radio 17% to $10.8 million and network radio 79% to $1.5 million. Outdoor and farm, both minor media for the agency, remained stable.

Ford got into advertising hot water in April, 1984, when BMW of North America sued Ford for a comparative magazine ad, via Wells, Rich, Greene, Detroit, that said the Ford Thunderbird Turbo Coupe "outhandled" the BMW 633CSi. The case was settled out of court when Ford agreed to drop the ad.

In early 1984, Ford division asked for magazine concessions of rate, position and circulation guarantees in return for guaranteed ad spending. Response was "almost 100%," says Charles Schneider, ad media analysis manager. Newsweeklies that refused to go along with rate-freeze guarantees lost ad pages.

In June, Ford decided to extend the program into 1985. However, several publications rapped the division for "rate busting" when Ford asked for increased emphasis on multiyear rate protection and less on merchandising awards. Ford's 1985 magazine planning requests included a positioning package and "discounts, network pricing and multiyear commitments." The division also cut 31 magazines from its 1985 new-car announcement quarter. Instead it went with spreads that cost twice as much as single-page units, reducing the number of insertions.

Ford's tv media strategy in 1984 called for buying total or partial exclusivity on high-profile tv events. Network tv ad spending for the year dropped 4.7% to $164.3 million, however, as the company swung to what it considered better values in magazines, newspaper, network cable and direct mail.

In November, the company closed a deal with ABC-TV, snagging the domestic auto sponsorship of the 1985 Super Bowl after GM's Chevrolet division relinquished it. The $10 million package buy included the Super Bowl sponsorship as part of a prime-time big-events package rather than a stand-alone sports buy. It also included $7 million in time on the fall, 1985, ABC 10-hour Civil War miniseries, "North and South."

Ford also bought U.S. auto exclusivity on NBC's 1984 World Series coverage.

With the relaxing of car import restrictions, Ford began gearing up for the import deluge in 1985. In January, it introduced the Merkur XR4Ti, known as the Sierra XR4 in Europe, with projected first-year sales of 12,000-14,000. The sporty coupe is imported from Germany and marketed by L-M. By 1990 Merkur will market four import models based on three different platforms. Ford has projected 100,000 Merkur annual sales by 1990, but later revised that figure downward.

Ford continued plans to import into the U.S. and Canada a car built in Mexico by Ford and its Japanese affiliate, Mazda. It, too, will be marketed by L-M and may replace the Mercury Capri in the next few years. An Australian version is called the Telstar and is similar to the popular Mazda 626.

Ford plans to market an undetermined portion of the small cars that Mazda will begin producing in 1987 in a former Ford plant in Flat Rock, Mich. Ford also plans to import a minicar made by Korean manufacturer Kia for North American marketing beginning in the 1988 model year. Importing the Korean car will be a joint venture with Mazda, of which Ford owns 25%.

In February, 1985, Ford underwent upper management shifts. Philip Caldwell retired as Ford chairman-ceo and was succeeded by Donald Petersen. In the same move, former exec vp Harold Poling was named president-chief operating officer, replacing Mr. Petersen.

Top officials quickly went to work to shore up the bottom line, announcing a plan to cut the white-collar work force on the auto side by 20%, or 10,000 workers, by 1990. Cuts, to be made primarily through attrition, a retirement incentive program and voluntary termination plan, are designed to hold costs down and make Ford cars more competitive. Such payroll reductions are not without precedent in the industry. Chrysler pared its white-collar work force in half during its crisis period between 1979 and 1982.

In other management moves, Thomas Page's retirement as exec vp-diversified products operations triggered other changes: Mr. Page was succeeded by Philip Benton Jr. Louis Lataif succeeded Mr. Benton as vp-sales operations for North American automotive operations. Robert Rewey succeeded Mr. Lataif as vp-general manager, Ford division. Thomas Wagner replaced Mr. Rewey as vp-general manager of L-M. Ross Roberts succeeded Mr. Wagner as general marketing manager, Ford division. Edsel Ford II succeeded Mr. Roberts as general marketing manager of L-M division. John Vanderzee succeeded Mr. Ford as ad manager of Ford division. And Thomas Ryan Jr., former manager at Ford's Houston district sales office, replaced Mr. Vanderzee as ad manager of L-M.

In April, 1985, Ford signed a multiyear deal with ABC Sports for sponsorship of "Monday Night Football," breaking the domestic-auto-exclusivity hold that Chevrolet has had for years. Under an alternating arrangement. Ford and Nissan will share a game, and the next Monday Chevrolet will be the exclusive auto sponsor. Ford also became a major sponsor of NBC-TV's Major League Baseball coverage.

Meanwhile, ads for Ford division continued to aim at the young, upwardly mobile professional market with messages attuned to the group's life style. Ford used youthful personalities such as football stars John Riggins and Joe Montana and skater Dorothy Hamill. A magazine ad for Ford's lineup of station wagons used clothing sizes to describe "Ford people carriers."

To further attract these young professionals, Ford began testing computerized "selection centers" in dealerships. The division will install the system in 1,500 to 2,000 dealerships in the 1986 model year if successful. The selection center also is part of a larger Ford program exploring other potential sales methods, including satellite dealer showrooms, telemarketing and direct-computer ordering.

On the Lincoln-Mercury side, three cars got most of the spring attention in 1984: Cougar for a sales success, Topaz to strengthen brand awareness and Mark VII because the luxury car was new for the model year. The Cougar got $20.9 million in measured spending, down 12.6%; Topaz $22.9 million, up 16.8%, and Mark VII $14.1 million (for all Continentals), up 90.5%.

With the fall introduction of 1985 cars, L-M took a five-state "complete car" test program national. The "complete car" has some optional equipment standard or available in packages, with option availability severely reduced. It is expected to be companywide by 1987. The idea was part of Ford's marketing thrust to cover new segments of the market "that seem to be identified every six months," said Philip Benton, then vp-sales operations, North American Automotive Operations.

L-M singled out only those vehicles with aerodynamic designs for company media spending for model year 1985. The stars under the Mercury label were Cougar, Cougar XR7 and Topaz. For Lincoln it was the Continental Mark VII LSC. All others were banished to dealer group ad efforts, except for the Mercury Capri, which received virtually no ad spending.

Music from the 1960s dominated ads. A Topaz ad cut between a young couple at a drive-in and the same couple, married and with children, returning to the drive-in. Merkur ads compared it to Audi, BMW, Saab and Volvo. A Cougar commercial showed a male baby boomer fleeing his office for a driving vacation "out on the highway looking for adventure." Mark VII took on Mercedes-Benz with "judge it by the competition."

In early 1985, L-M ads took after young buyers. L-M said it had intentions on capturing 10% of the U.S. new-car market by 1990. It used Beatles music as part of this ambitious effort and broke four 60-second commercials during CBS' Grammy Awards telecast that were designed to start forging emotional links between Mercury cars and younger buyers. The Beatles song "Help" played over one spot as 30-ish actors scattered in their Mercurys on a scavenger hunt for surfboards, hula hoops and old-fashioned Yellow Cab caps. A Topaz ad was pitched to "Be My Baby" as a father loaded two preschoolers into the car for a trip to the hospital, where mom is a doctor.

In June, 1985, L-M decided to delay until the 1990s plans to capture that full 10th of the U.S. market. Instead it focused on splitting L-M into three separate brands: Lincoln, Mercury and imported Ford of Europe Merkur. While dealers would still carry all three lines, each would get a separate umbrella campaign. L-M expects to distinguish Merkur as a brand name before it brings over the Scorpio from Europe.

Ford trucks continued to be "built Ford-tough." However, Ford quit running ads showing its Ranger pickup truck being parachuted from airplanes or over cliffs. Instead, the 1985 model Rangers went to the moon. Ads for the compact Ranger show the truck handling city potholes with the line, "Some of the roughest roads aren't in the mountains but on city streets, perhaps your street." Ford spent $40.3 million in measured media on trucks, down 7.4%, placing $15.3 million of that behind Ranger, down 33.5%, and $4.8 million in support of Bronco, down 20%.

In spring, 1985, Ford prepared for the fall introduction of its 1986 Aerostar minivan. Ads for the "yuppiemobile" positioned the Aerostar as a second personal-use vehicle for young families. They also stressed ease of driving for women and versatility for recreation. Aerostar will get an initial ad push of $20 million, and Ford expects calendar 1985 sales of 50,000.

Both Ford and L-M began gearing up for the November, 1985, debut of the high-volume, midsize front-wheel-drive 1986 models Ford Taurus and Mercury Sable, with projected 400,000-unit first year sales. Other future products include a U.S.-built small car, code-named Alpha Project to compete with GM's Saturn, aimed at competing profitably with Japanese imports; an on-demand, four-wheel-drive option for its Tempo-Topaz compacts, and a turbocharged engine for a Beatrice-sponsored Formula One team for the 1986 Grand Prix season.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	62,063	49,603
Magazines	97,101	80,346
Network cable	6,892	5,087
Spot tv	39,500	37,857
Network tv	164,253	172,308
Spot radio	10,787	12,993
Network radio	1,525	7,186
Outdoor	2,174	1,806
Farm pubs	3,115	3,431
Total measured	387,411	370,617
Total unmeasured	171,989	113,530
Estimated total	559,400	484,147

FORD MOTOR CO.

The American Road
Dearborn, Mich. 48121
(313) 322-3000

Corporate Marketing Personnel

B.J. Coughlan, exec dir-mktg
D.T. McClure, dir-adv office
R.C. Reynolds, mgr-corp adv
F.R. Wuellner, mgr-adv communications

Advertising Agency

Wells, Rich, Greene, New York—James B. Lawrence, senior vp-genl mgr, Detroit.

FORD DIVISION

Marketing Personnel

R.L. Rewey, vp-genl mgr
P.M. Novell, genl sales mgr
L.J. Alaimo, exec asst-dealer affairs
R.H. Roberts, genl mktg mgr

R.C. Olsen, truck sales promo mgr
J.B. Vandersee, adv mgr
R.J. Gillooly, car adv mgr
W.D. Lancaster, merch mgr
D.M. Pohlod, car sales promo mgr
J.D. Oldfield, training-communications mgr

Truck Operations

E.P. Williams, vp-genl mgr
J.H. Merrifield, heavy truck sales mgr
D.D. Litchfield, heavy truck adv-merch mgr

Advertising Agency

J. Walter Thompson USA, Detroit, Mich. —J.G. Schulte, exec vp, Detroit office mgr; Bill Lane, senior vp-exec creative dir; Bill Williams, senior vp, Ford acct dir; Larry Mastro, vp-truck mgmt super; Hugh Trenkamp, senior vp-group mgmt dir; D.L. Sinclair, senior vp-mgmt super, car; Tom Healy, senior vp-media dir.

LINCOLN-MERCURY DIVISION

Marketing Personnel

Thomas J. Wagner, vp-genl mgr
T.D. Mignanelli, genl sales mgr
E.B. Ford II, genl mktg mgr
Thomas B. Ryan, adv mgr
Carl Bergmon, merch mgr
Chuck Schneider, major market, dealer adv mgr

Advertising Agency

Young & Rubicam, Detroit, William A. Power, exec vp-genl mgr; Roby Harrington, exec vp-regional dir; John Sanders, exec vp, deputy mgr; Chuck Riley, senior vp-group dir, L-M acct support services; Greg Stein, vp-dir of client services, WRK; Ken Pool, vp-dir media relations & planning; Warren Winstanley, vp-mgmt super, planning; George Bak, vp-mgmt super, Merkur; Tim Hart, vp-mgmt super, Mercury; Tim Cooney, mgmt super, Lincoln-luxury; Conrad Welsing Jr., senior acct exec, luxury adv; Sandy Rowland, acct exec, Mercury; Scott Thornton, acct exec Merkur.

FORD PARTS & SERVICE DIVISION

Marketing Personnel

J. A. Kordick, genl mgr
L.R. Miskowski, natl service devel
K.W. Myers, prod & mktg mgr
M.L. Jones, mktg office mgr
T.G. King, adv & sales promo

Advertising Agency

Young & Rubicam, Detroit—Robert Sontag, vp-mgmt super; Carol Canestraight, acct super-parts & service; Chris Konal, John Scales, acct execs.

NORTH AMERICAN SALES OPERATIONS
FORD TRACTOR OPERATIONS

Marketing Personnel

R.F. Moglia, vp-genl mgr
G.A. Covl, asst genl mgr-sales & mktg
R.J. Nicolazzi, genl operations mgr
E.S. Hasel, genl sales mgr
J.N. Chuchman, mktg mgr
A.H. Pridgeon, adv & sales promo mgr

Advertising Agency

Meldrum & Fewsmith, Southfield, Mich. —Jack Bryan, exec vp; Rol Kracoe, senior acct exec; Robert Drake, acct execs.

FORD MOTOR CREDIT CO.

Marketing Personnel

W.E. Odom, exec vp-North American automotive financing operations
J.R. Gilker, mktg & business devel mgr
W.E. Beathard, mktg & operations mgr
C.B. Rosenberg, mktg & business devel mgr-diversified financing operations

Advertising Agency

Wells, Rich, Greene, New York—J.D. McKay, exec vp-mgmt group head.

General Electric Co.

RANK
37

Fairfield, Conn.

($ figures – 000,000)

Worldwide	1984	1983	% chg
Sales	27,947	26,797	4.3
Net income	2,280	2,024	12.6
U.S.			
Sales	25,966	25,513	10.4
Operating profits	2,061	1,667	23.6
Advertising	202	197	3.0
Division sales			
Consumer prods.	3,372	3,650	2.3
Major appliances	3,650	3,078	18.6
Industrial systems	3,935	3,880	1.5
Power systems	5,797	5,686	2.0
Aircraft engines	3,731	3,436	8.7
Materials	2,117	1,964	7.8
Technical prods.	4,578	3,759	21.8

General Electric Co., Fairfield, Conn., the 37th largest national advertiser, increased its U.S. advertising by 3% to an estimated $202.4 million as sales in 1984 showed narrow gains of 4.3% to $27.95 billion.

Earnings, however, showed a substantial increase of 12.6% to $2.28 billion.

But earnings, too, have slipped in the first part of 1985. Second-quarter results compared with the year-earlier period show earnings increasing 1.9% to $590 million and sales advancing 2.7% to $6.84 billion.

GE in the second quarter of the current fiscal year also paid the U.S. government about $2 million as part of a fine and payback required after the company pleaded guilty in May to defrauding the Air Force. GE had allegedly filed false claims for payment on a missile contract.

GE holds a 3.5% share in dollars of prime government contracts valued at $4.52 billion, ranking it fourth behind General Dynamics, McDonnell Douglas and Rockwell International, in that order. GE, indicted for the alterations in March, 1985, was immediately suspended from receiving new military contracts, but that suspension was lifted in April for all divisions but its space division, a minor government contractor.

During 1984, the company tuned up for a number of new entries in the consumer products and small appliance segments. It introduced an automatic shutoff iron and spent an estimated $5.8 million touting its line of highly featurized phones.

Company chairman John Welch Jr. also was reported as saying the company might discontinue manufacturing tv and audio products or even pull out of the consumer-electronics business. However, subsequent published reports indicate GE instead might carve up its consumer electronics business into a smaller, more manageable business, or that the company could merely become a distributor of products manufactured to GE specifications.

During 1984, the largest increase in measured media appeared in spot tv, where spending went to $7.8 million from $4.5 million in 1983. The largest cut came in magazine spending where it fell to $8.5 million from $13.1 million in 1983. The company also began to dabble in network radio, spending $75,000 in the medium.

GE products receiving most advertising attention in 1984 besides home telephone included color tv sets backed with $6.7 million in advertising, up from only $406,000 in 1983; major appliance (nonspecific) advertising of $7.4 million, up from $1 million; rechargeable battery system, $3.2 million, up 14.3%; refrigerator and freezer $5.1 million, up from $927,700. Home light bulbs dropped 24.8% in advertising to $7.6 million; dishwashers fell 42.9% to $3.6 million, and general promotion dropped 17.7% to $6.5 million.

GE acquired new businesses in 1984 and sold a number of properties. It acquired Employers Reinsurance Corp. for $1.1 billion and entered partnerships with Ungermann-Bass, a company that makes networks for everything from personal computers to mainframes, and Coherent Inc., involved in laser technology, supporting its industrial electronics segment.

GE entered new areas of businesses: Ceramics for the electronics packaging market; and a graphics processor venture—a highly leveraged means of substituting silicon for software in image generation.

The company created a new affiliate, General Electric (U.S.A.) China Co. Ltd., designed to serve as the focal point for all GE business activities with the People's Republic of China.

At the same time, the company completed the sale of Utah International, its natural resources subsidiary, to Broken Hill Proprietary Co. Ltd. in April, 1984; sold its housewares business to Black & Decker for $300 million in April, 1984, and sold its Family Financial Services, a second mortgage subsidiary of General Electric Credit Corp., to the Philadelphia Saving Fund Society. In total, the three divestitures were valued at $3.3 billion.

Also, late last year, GE agreed to merge its General Electric Cablevision Corp., its cable tv subsidiary, into a wholly owned subsidiary of United Artists Cable TV unit, United Artists Cablesystems Corp. Under the agreement, GE received $132 million plus 37% of the stock of United Artists Cablesystems.

During the third quarter of 1984, GE introduced HomeMinder, a space-age device that makes it possible for the user to control household lights, heating, cooling and appliances through a tv set. HomeMinder is available in two models. For $1,300 the consumer gets the top-of-the-line GE tv set equipped with the system. The HomeMinder module, which resembles a videocassette recorder and connects to an existing tv set, can be purchased for $500. BBDO, New York, is the agency.

Last year, GE introduced its Automatic Shut-Off iron. Priced at about $60, the iron features an audible signal that beeps when the temperature selected by the user has been reached and when the iron has not been moved in 10 minutes. Print and tv via BBDO supported the introduction.

The company had an estimated 50% market share for irons when it was beaten to the market by Sunbeam's Monitor automatic shutoff iron. Sunbeam's share was expected to rise from 15% to 20%, stealing points from GE. Hamilton-Beach and Dart & Kraft's West Bend division joined the fray, with West Bend adding further heat by introducing an automatic shut-off iron that was also cordless.

Jumping headlong into the phone manufacturing fracas, GE spent $5.8 million in measured media, mostly network tv, pushing its line of new and revised highly featurized phones. The segment of the market for its sophisticated unit grew an estimated 2.8 million unit sales by the end of 1984, up 55% from the previous year—primarily the result of marketer and retailer advertising.

GE is providing additional advertising support to its appliance line in Mexico. Early last year it named J. Walter Thompson de Mexico to handle its $900,000 appliance account.

The company also shifted its major appliance business group account to Symon & Hilliard, New York, from BBDO. The account is estimated at $3 million.

In the industrial sector, GE's plastics group, Pittsfield, Mass., assigned its $4 million-plus account to Marsteller Inc., New York, from R T. Blass Inc., Old Chatham, N.Y.

On the corporation front, GE began an image campaign last fall on Screenvision Cinema Network, a service that places commercials in movie theaters before films are shown. The campaign, by BBDO, is aimed at young adults.

Also, GE reassigned its corporate business print advertising to Jim Johnston Advertising from Chiat/Day.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	14,984	12,220
Magazines	8,510	13,129
Network cable	5	76
Spot tv	7,825	4,502
Network tv	40,343	39,158
Spot radio	495	907
Network radio	75	0
Outdoor	415	243
Total measured	72,651	69,835
Total unmeasured	129,749	126,748
Estimated total	202,400	196,583

GENERAL ELECTRIC CO.

3135 Easton Turnpike
Fairfield, Conn. 06431
(203) 373-2211

Marketing Personnel

Leonard Vickers, vp-corp mktg
R.A. Costello, mgr-corp brand communications
K.L. Koss, mgr-corp adv
H.M. Snider, mgr-business communications & media planning
E.J. Clark, mgr-educational communications programs
A.C. Walker, media coord

CONSUMER PRODUCTS SECTOR

Marketing Personnel

R.Q. LaFond, genl mgr-lamp consumer mktg & sales operations
W. Rogers, mgr-mktg communications, C&I lamp
V.H. Alcott, mgr-adv & industrial design, major appliance
R. Richman, mgr-mktg services, consumer electronics.

Advertising Agencies

BBDO, New York—corp & consumer brand image, consumer lighting, commercial & industrial lighting, consumer electronics (excluding trade)—F. Perkins, exec vp.

Dancer Fitzgerald Sample, New York—rechargeable batteries—Robert Weekes, exec vp.

Jim Johnston Advertising, New York—corp business, GE brand trade adv—James J. Johnston, chmn-ceo.

Stuart Ford, Richmond, Va.—mobile communications—Stuart Ford, ceo.

Symon & Hilliard, New York—major appliance, GE brand trade adv, Hotpoint, brand & consumer trade adv—Jim Symon, chmn.

General Foods Corp.

RANK
12

White Plains, N.Y.

($ figures – 000,000)

Worldwide	1985	1984	% chg
Sales	9,020	8,600	4.9
Net income	325	317	2.6
U.S.			
Sales	N/A	6,860	N/A
Operating profits	N/A	602	
Advertising	450	397	13.2
Division sales			
Pkg. grocery prods.	N/A	3,788	N/A
Grocery coffee	N/A	2,300	N/A
Processed meats	N/A	1,533	N/A
Food service/other	N/A	979	N/A

General Foods Corp., which has been rumored on Wall Street this fall as being a possible buyout candidate, ranked the 12th largest national advertiser in 1984 with estimated advertising of $450 million, a 13.2% increase over 1983.

The White Plains, N.Y.-based company plans to prime its ad budget with a 20% increase in 1985. The 1984 outlay pushed the company past the record $429.1 million it spent two years ago.

The heavier ad support accompanied worldwide sales of $9.02 billion, up 4.3%, for the fiscal 1985 ended March 30, as net earnings increased 2.5% to $324.9 million worldwide.

In mid-September of this year, GF was purported the subject of a buyout by Philip Morris Inc., the beer, cigaret and soft drink marketer. GF stock took off when it was learned that Philip Morris, viewed as a potential buyer of GF for several months, had arranged a $6 billion line of credit, presumably to make an acquisition. GF also was believed to be a target of Unilever N.V., which made a bid in mid-September instead for Richardson-Vicks, the Wilton, Conn.-marketer of personal care and otc drug products.

General Food's modest returns for fiscal 1985 felt the impact of several special items: The sale of the Gaines pet food division, a provision to restructure certain international operations and an accounting change relating to advertising/promotion costs of powdered drink mixes. Excluding these items, net earnings from operations were down 4.5% to $302.8 million. For the first quarter ended June 30, sales rose 0.4% to $2.27 billion, while net earnings increased 7% to $77.7 million.

While GF got out of the pet food business by selling Gaines to Anderson, Clayton & Co. for an after-tax gain of $59.8 million, the company expanded its operations with the $60 million acquisition of Oroweat Foods Co., a specialty bread company, and the $52 million purchase of Ronzoni Foods Corp., a pasta maker.

Although GF continues to reduce its dependence on the grocery coffee business, that division received the most measured media dollars last year at $87.9 million. Of that, the Maxwell House line received $29 million, including $17 million for a newly introduced decaffeinated version.

Leading both the ground and instant segments, regular Maxwell House coffee holds an 18.9% unit share of the ground market and 22.5% of the instant business. Maxwell House Master Blend holds an additional 8.7% of the ground segment, while Maxim has 2.4% of the instant.

GF did not limit its new product introductions to that line. Over the past 18 months, the company also has launched Yuban decaffeinated coffee, International Coffees with NutraSweet, and in a limited test, a line of premium ground items called the Maxwell House Master Collection. For consumers who prefer a full-flavored decaffeinated coffee, the company added Dark Roast to the Brim line.

With higher margins and greater growth opportunity, GF is committed to retaining the lion's share of the decaffeinated business.

The company invested $20 million in the International Coffee launch and by yearend held 1.9% of the instant segment. Brim, which has 4.5% of the instant market, also was supported heavily in measured media with $19 million. The brand holds about 2% of the ground segment.

Sanka, which pioneered the decaffeinated segment, held onto 10% of the instant market and 4.4% case share of the ground market. The line received $17 million in measured media backing.

Yuban, the only nationally marketed product in the premium category, was put on notice to gear up for a battle by the entry into test of a product, Gold Blend, from Nestle's Hills Bros. subsidiary. Yuban holds less than a 1% share of the instant and regular categories. It received $3.3 million in ad support last year.

Although disappointed by sales and earnings growth of beverages last year, the company still invested $63 million in measured media to support them. GF cited poor summer weather and a large number of competitive products as reasons for flat sales and a decline in earnings.

Although Kool-Aid was especially disappointing, the company invested $27 million in measured media in the line, adding new flavors and aseptically packaged cartons, called Kool-Aid Koolers. The powdered line holds an estimated 65% of the $800 million powdered beverage market.

During its first year of national distribution, Crystal Light, an adult powdered drink mix, received $20 million in measured media support. The brand already had achieved a 10% market share while in only 40% of the country and continued to perform well during its national rollout.

The company also invested $7 million in the restaging of Country Time lemonade mix, including a sugar-free version, and achieved close to a 5% market share.

In March, GF sold its Awake and Orange Plus frozen orange concentrates to TreeSweet Products for an undisclosed amount. Sales of the two brands exceeded $20 million.

In the separately considered orange/breakfast beverage category, Tang holds about an 8% share and received $8 million in measured media last year.

This year, GF began testing still another powdered drink mix called Diet Sun, with emphasis on the taste attribute of the diet beverage and its 10% juice content.

Desserts, led by the frozen novelty business, had a banner year. Projected to grow from $150 million in manufacturer dollars today to possibly $500 million soon, GF's frozen novelties now include Jell-O Pudding and Gelatin Pops as well as two test items, Fruit & Cream and Soft Swirl.

Pudding Pops were supported by $9 million in measured media last year, while Gelatin Pops received $13 million during their national rollout. Also in the division, Cool Whip whipped topping received $10 million in measured media support.

After years of declines, the gelatin dessert market received a shot in the arm from the introduction of Jell-O sugar-free gelatin, sweetened with NutraSweet. The product was backed by $12 million in measured media during its introductory year, a separate campaign from the $13 million invested in regular Jell-O gelatin. Also contributing to strong growth was the regular Jell-O pudding and pie filling line, supported by $11 million.

GF holds a major share of the frozen novelty market as well as the package dessert business.

In breakfast foods, GF has long struggled to remain a strong No. 3 in the $4 billion cold cereal market. Of the top 17 brands, accounting for 58% of the ready-to-eat cereal market, GF has only two, Grape Nuts and Post Raisin Bran. According to Paine Webber figures, these are the No. 9 and No. 10 brands, respectively, holding 3.3% and 2.9% shares.

With new products, the company has been most successful recently with Fruit & Fibre, which has grown to a 1.5% market share. This summer the company added two new flavors to the line using the same "tastes so good you forget the fiber" ad theme.

The company also has put into test Post Cheyenne corn cereal, with the theme, "Eat right to live right."

Of the $52 million spent to advertise Post cereals, $12 million each went into Grape Nuts and Raisin Bran and $10 million into Fruit & Fibre.

Other brands receiving between $2 million and $4 million each were Alpha Bits, Honeycombs, Pebbles, Strawberry Crunch and Super Golden Crisp.

The focus in GF's reorganized meals division is on future growth, although established brands continue to perform well. Stove Top stuffing mix, which holds more than 70% of the category, received $10 million in measured media. The division introduced a new container during the year that allows a flexible number of servings.

Shake 'n Bake coating mix, also a category leader, was supported by $8 million in measured media. Minute Rice, also a dominant brand in its category, received $9 million.

Although Birds Eye frozen foods—vegetables and fruits—had good growth, earnings were lower than expected because of heavy competition in the regular vegetable segment. Spending in measured media was about $9 million. Several new varieties of frozen vegetables with sauce were added to the line.

The division expanded its salad dressing business, adding Good Seasons Lite mixes and supported the line with $8 million in measured media.

The company is working on several projects that would put it in the growing entree business, both in frozen and refrigerated products as well as possibly shelf stable. At least one of those projects should end up in test market this year, the company said.

Although still a small business, Ronzoni pasta has been integrated into the Birds Eye division. GF plans to expand geographically as well as add frozen Italian entrees to the line. Spending totaled $2 million last year.

In processed meats, a business GF entered through the 1981 acquisition of Oscar Mayer, the company found niches in the difficult red meat market with bacon and cheddar cheese hot dogs and Stuffin' Burgers, the company's first entry in the frozen meat case.

Louis Rich processed turkey products turned in an excellent performance with volumes exceeding 15% over last year. The company says Rich processed turkey luncheon meats are No. 2 behind Oscar Mayer. Spending last year for Mayer totaled $12 million and for Rich, $13 million.

Although Entenmann's baked goods and Oroweat specialty breads did not receive heavy ad spending (less than $1 million each), the company has begun a major geographical expansion of these businesses.

Other areas of interest include specialty cheeses and direct mail distribution of specialty foods. The company began testing Beaux Villages cheeses in four markets and introduced via direct marketing Gevalia Kaffee, brought to the U.S. from the company's Swedish operations.

Last November, the company introduced a new corporate logo that began appearing on all brands and company communications. The symbol above the company name is a two-tone green leaf surrounded by a black band.

Several agency changes occurred during the year. Louis Rich products were moved to Ted Bates Advertising/New York from Tatham-Laird & Kudner, Chicago. Ronzoni pasta was assigned to Young & Rubicam, New York, from Firestone & Associates. Oroweat Foods went to Benton & Bowles, Los Angeles, from Foote, Cone & Belding, New York.

General Foods this month moved Tang and sugar free Tang orange drink mix to Ogilvy & Mather, New York, from Young & Rubicam as part of a move to reduce the number of agencies handling its beverage division.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	4,018	4,201
Magazines	40,578	33,373
Network cable	13,269	11,290
Spot tv	96,869	73,020
Network tv	190,223	170,065
Spot radio	2,946	2,333
Network radio	1,704	1,711
Outdoor	626	69
Farm pub's	216	55
Total measured	358,349	296,117
Total unmeasured	91,651	101,363
Estimated total	450,000	397,480

GENERAL FOODS CORP.
250 North St.
White Plains, N.Y. 10625
(914) 335-2500

Marketing Personnel

James L. Ferguson, chmn-ceo
Philip L. Smith, president-coo
E.R. Shames, exec vp-president, GF intl operations
D.J. Keller, exec vp-coffee & foodservice
W.F Dordelman, group vp-planning & devel
J.M. Hiegel, exec vp-ceo, Oscar Mayer Foods Corp.
R.L. Seelert, exec vp-president, package convenience foods
J.C. Tappan, group vp-breakfast & bakery
J.M. Keenan, corp group vp-president, GF Europe
F.K. Mitchel, vp-mktg staffs
L.A. Nelson, vp-sales
D.W. Johnson, vp-president, ceo, Entenmann's Inc.
R.E. Haynes, creative services dir
D.K. Braun, media services dir
W. Shaw, promo services dir

Breakfast & Bakery Sector
Marketing Personnel

J.C. Tappan, group vp

Breakfast Foods Division
Marketing Personnel

D.F. Hurwitt, vp-genl mgr
D.J. Gustin, mktg mgr-cereals
Gary Voorhees, devel mgr

Advertising Agencies

Ted Bates Advertising/New York—Log Cabin—Lawrence Epting, exec vp; Michael Townsend, senior vp-mgmt rep; Stuart Upson, Janet Stanton, vp-acct supers.

Grey Advertising, New York—Post Raisin Bran, Grape Nuts, Honeycomb, Grape Nuts Flakes, Fruit & Fibre, 40% Bran Flakes—Malcolm Mace, senior vp-mgmt rep; Pam Marcus-Fruit & Fibre, Carolyn Carter-Grape Nuts, Carol Herman-all other cereals, vp-mgmt supers.

Ogilvy & Mather, New York—Alpha Bits, Pebbles, Super Golden Crisp, Honey Nut Crunch, Raisin Bran, Post Tens, Smurfberry Crunch, new prod—Peter Barnet, senior vp-group dir; Cynthia Round, vp-mgmt super; Sandi Reitelman, acct super; David Vipond, Larry Bloomenkranz, acct execs.

ENTENMANN'S INC.
Marketing Personnel

D.W. Johnson, GF vp, president-ceo

Advertising Agency

Benton & Bowles, New York—William Munroe, acct dir; Nat Stein, acct super; Minott Wessinger, acct exec.

Coffee/Food
Service Sector
Marketing Personnel

D.J. Keller, exec vp-coffee & foodservice

MAXWELL HOUSE DIVISION

S.B. Morris, GF vp-genl mgr
C.R. Hummel, dir-long range planning
J.W. Johnson, mktg mgr

Advertising Agenices

Ted Bates Advertising/New York—Maxim, Mellow Roast coffee—Lawrence Epting, exec vp; Michael Townsend, senior vp-mgmt rep; Stuart Upson, Janet Stanton, vp-acct supers.

Benton & Bowles, New York—Brim, Yuban—Bill Munroe, acct dir; William Badger, mgmt super; Lance Smith, acct super, Brim; Nat Stein, acct super, Yuban; Priscilla Natkins, acct exec, Brim; Adrienne Kuman, acct exec, Yuban.

Ogilvy & Mather, New York—Maxwell House brands—Peter Barnet, senior vp-group dir; Mel Kiselik, vp-mgmt super; Rick Roth, Mark Greene, vp-acct supers; Melissa Bernhardt, Betsy Lemback, Debra Kohn, acct execs.

Young & Rubicam, New York—Sanka, International Coffees—Larry Shapiro, group dir; Mitch Kurz, mgmt super, intl coffee; Marcia Wasser, acct super, intl coffee; Larraine Alhadeff, acct exec, intl coffee; Cathy Damico, asst acct exec, intl coffee; Dave Findel, acct super, Sanka; Betsy Latt, acct exec, Sanka; Bruce Cheesebrough, asst acct exec, Sanka; Jay Stewart, acct coord, Sanka.

Foodservice Product Division
Marketing Personnel

A.R. Plasche, GF vp-div president
E.S. Caso, operating & logistics dir
J.M. Harran, mktg & devel dir

Package Convenience
Foods Sector
Business Divisions

R.L. Seelert, group vp-package convenience foods business div

Beverage Division
Marketing Personnel

R. Sansone, GF vp-genl mgr
G. Murphy, mktg mgr
Bob Tuckis, devel dir

Advertising Agencies

Benton & Bowles, New York—Crystal Light, new prod—Richard V. Hopple, senior vp-acct dir; William Perkins, mgmt super; Mike Dabrowski, acct super, Crystal Light; Joe Goldstein, acct super, new prod; Stuart Pearlman, acct exec, Crystal Light.

Grey Advertising, New York—Kool-Aid, Diet Sun—Malcolm Mace, senior vp-mgmt rep; Carol Herman, Patti Dyson, vp-mgmt supers.

Ogilvy & Mather, New York—Country Time, sugar free Tang, Tang—Peter Barnet, senior vp-group dir; Curtis LeSage, vp-mgmt super; Eva Page, acct super; Tim Sager, acct exec.

Desserts Division
Marketing Personnel

R.G. Viault, GF vp-group exec
D.A. Smith, mktg mgr-established brands
Rick DeSantis, mktg mgr-frozen novelties

Advertising Agencies

Benton & Bowles, New York—Cool Whip, new prod—Richard V. Hopple, senior vp-acct dir; William Badger, mgmt super; Joe Goldstein, acct super; Susan Freeman, acct exec.

Grey Advertising, New York—Baker's chocolate, coconut, D-Zerta, Dream Whip, Minute Tapioca, Clumet, Certo, Sure-Jell—Jack Frantz, senior vp-mgmt rep; Jerry Zaret, vp-mgmt super.

Young & Rubicam, New York—Jell-O Fruit & Cream, Jell-O gelatin, Jell-O Fruit Bars, Jell-O Gelatin Pops, Sugar-free Jell-O, Jell-O Pudding Pops, Jell-O pudding—Larry Shapiro, group dir; Rick Bodge, mgmt super; Susan Vary, acct super, Fruit & Cream, fruit bars, gelatin pops, pudding pops; Chris Becker, acct super, gelatin, sugar-free & pudding; Ellen Hyde, acct exec, Fruit & Cream, gelatin pops; Miriam Kogan, acct exec, gelatin, sugar-free; Debra Coughlin, acct exec, pudding pops; Bryce Ott, acct exec, pudding; Bob Reith, acct mgmt intern, Fruit & Cream, gelatin pops; Hugh Nesbit, asst acct exec, gelatin, sugar-free; Adrienne Darling, asst acct exec, fruit bars, pudding pops; Kim Zimmerman, acct coord, Fruit & Cream, fruit bars, gelatin pops; Abbe MacLise, acct coord, pudding pops, pudding.

Meals Division
Marketing Personnel

C.J. Bowen, vp-genl mgr

BIRDS EYE AGRICULTURAL UNIT
Marketing Personnel

C.A. Adamo, mgr

Advertising Agency

Young & Rubicam, New York—Birds Eye frozen vegetables, fruits—Larry Shapiro, group dir; Mitch Kurz, mgmt super; Chris Ponzio, acct super; Claudia Eisen, Laurie Matthews, acct execs; Tom French, asst acct exec; Lisa Senters, acct coord.

Dry Grocery Product Unit
Marketing Personnel

L.D. Juliber, mgr

Advertising Agencies

Benton & Bowles, New York—new prod—Richard V. Hopple, senior vp-acct dir; Diane Jones, mgmt super; Andrew Sulzmann, acct super; Phylis Spinelli-Evans, acct exec.

Grey Advertising, New York—Minute Rice, Minute Rice mixes, Stove Top stuffing mix, Oven Fry coating—Jerry Zaret, vp-mgmt super.

Ogilvy & Mather, New York—Shake 'n Bake, Open Pit—Peter Barnet, senior vp-group dir; Cynthia Grant, vp-mgmt super; Lisa Glatzer, acct exec.

RONZONI FOODS CORP.
Marketing Personnel

R. Ronzoni, president
R.J. Pizzuti, mktg mgr

Advertising Agency

Young & Rubicam, New York—pasta, other prod—Larry Shapiro, group dir; Paul Lorant, acct super; Ray Katz, acct exec; Jane Chatzky, asst acct exec; Jennifer Brown, acct coord.

OSCAR MAYER SECTOR
OSCAR MAYER FOODS
Chicago, Ill.
Marketing Personnel

J.M. Hiegel, GF exec vp-div chairman/ceo
J.W. McVey, GF vp-div president
R.L. Tolleson, GF vp-div exec vp

Advertising Agency

J. Walter Thompson USA, Chicago—Oscar Mayer brands—John Furr, senior vp-group acct dir; Tom Goettsche, senior vp-acct dir; Frans Stevens, vp-acct dir; Chris Rector, Rudy Nadilo, acct supers; Lex Matteini, Cathy Warga, Corinne Sidler, acct reps; Pam Berland, Diane Kucera, asst acct reps.

LOUIS RICH
Marketing Personnel

Bryan Stockton, mktg mgr

Advertising Agency

Ted Bates Advertising/New York—Louis Rich meats—Lawrence Epting, exec vp; Michael Townsend, senior vp-mgmt rep; Stuart Upson, Janet Stanton, vp-acct supers.

Cheese Division
Marketing Personnel

B.G. Laragh, GF vp-div president
R.H. Ogden, mktg mgr

GF INTERNATIONAL
Advertising Agency

Ogilvy & Mather, New York—Peter Barnet, senior vp-group dir; Curtis LeSage, vp-mgmt super; Larry Bloomenkranz, David Vipond, acct execs.

RANK
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General Mills

Minneapolis

($ figures = 000,000)

	1985	1984	% chg
Worldwide			
Sales	4,290	4,120	4.2
Net income	-73	233	-131.4
U.S.			
Sales	N/A	N/A	N/A
Operating profits	N/A	N/A	N/A
Advertising*	283	279	1.6
Division sales			
Consumer foods	2,771	2,713	2.2
Restaurants	1,140	1,079	5.7
Toys	N/A	783	N/A
Fashion	N/A	587	N/A

*For calender 1984

General Mills, the country's 28th largest advertiser, increased ad spending 1.6% to an estimated $283.4 million in 1984 as measured ad spending went up 1.1% to $266.1 million.

Declaring its intent to "get back to basics," the Minneapolis company spun off or sold several of its operations this year. As a result, it showed a net loss in fiscal 1985 closing the end of May of $72.9 million on sales of $4.29 billion. The loss includes a charge of $188.3 million for discontinued operations. In fiscal 1984, the company earned $233.4 million on sales of $4.12 billion (restated from $5.6 billion to reflect discontinued toy, fashion and non-apparel specialty retailing operations).

In January, General Mills announced it would sell both its toy and fashion divisions with the hope of raising $750 million. By spring, the company had decided to spin off the two properties, leading to speculation that bids for the properties failed to meet expectations. General Mills plans to complete the spinoffs by the end of the year.

The new toy company will include Kenner Products, Parker Brothers games and Fundimensions, a unit selling model kits and Lionel trains. The company will be headed by Ronald Jackson, former president of Stride Rite Corp. and one-time president of General Mills' The Talbots division, and is expected to come onto the market at $7 to $10 a share. James G. Fifield, former exec vp-toy group, had been expected to head the company, but he resigned in June saying the position did not meet his personal career goals.

The toy group contributed $782.7 million in sales to General Mills in fiscal 1984 ended May 27, 1984, up 7.5% from fiscal 1983. At $72 million, profits were down 31.2%, a decline attributed to the soft market for videogame software. The company did not break out operating results of the toy segment in fiscal 1985.

In 1984, General Mills spent $25.6 million advertising Kenner Products, up slightly from $25 million in 1983, according to six-media LNA figures. The company spent an additional $6.5 million to advertise stuffed Care Bears, a product developed jointly with American Greetings. Sales for the bears exceeded $50 million in 1984, the product's first year on the market. Care Bear Cousins, a line featuring other stuffed animals, will debut in 1985. Measured ad spending for Parker Brothers games, books, records and tapes reached $13 million, $17 million less than in 1983, according to LNA. Advertising for Fundimensions products also declined to $883,500 in 1984, down 15% from 1983.

General Mills' fashion division had a tough time in fiscal 1984. Sales declined 4.7% to $587.4 million and operating profits dropped nearly 36% to $48.8 million. The company did not break out operating results for this segment in fiscal 1985. The 1984 fiscal results were attributed to a continuing slump at the company's Izod Ltd. unit, which produces classic knitted sportswear, a declining category. In November, 1984, the company announced plans to cut expenses at Izod by one-third, but by early 1985, the decision was made to divest that division.

The spinoff fashion company will be headed by Richard F. Kral, former exec vp-fashion at General Mills, and is expected to go public at $3 to $4 a share. The company spent $884,400 in measured media for Izod Lacoste in 1984, compared with $4.7 million in 1983, according to LNA. In addition to Izod, the new fashion company will include Monet jewelry and Ship 'N Shore separates.

Monet expanded its costume jewelry line in 1984 from classic, tailored pieces to more contemporary fashion designs. The unit, considered the fashion group's most promising, was supported with $700,000 in magazine ads and an additional $85,000 in newspaper supplements.

Demand for Ship 'N Shore moderately priced separates declined in 1984, but the company experienced some success with the Wyndham Collection, a line developed for distribution in J.C. Penney Co. stores. Ad spending for Ship 'N Shore products reached $268,000 in 1984, primarily in magazines, with some spot tv. The company spent $346,000 advertising the line in 1983.

In April, General Mills sold its Foot-Joy subsidiary, formerly part of the fashion group, to American Brands for $53 million. During 1984, the golf shoe and accessories unit introduced Ultra-Joy, a lightweight leather golf shoe. The company spent $2 million advertising Foot-Joy products in 1984, some 48% of that in network tv.

In July, 1985, the company sold its Lee Ward crafts retail operations to Munford Inc. for an undisclosed sum. The 46-store chain contributed $61 million to General Mills sales in fiscal 1985. The company also has decided to sell its 22-store We Are Sportswear chain and the 87-store Wallpapers To Go decorating centers. Also this summer, W.R. Grace & Co. agreed to buy the company's 27 Darryl's theme restaurants, and W.R. Grace's majority-owned El Torito's chain will buy General Mills' 25 Casa Gallardo restaurants. General Mills also is planning to sell its Good Earth restaurants.

The restaurant segment as a whole contributed $1.14 billion in sales and operating profits of $91.5 million in fiscal 1985, up 4.7% and 30.7% respectively. The operating profit figure was prior to redeployment of toy, fashion and several specialty operations.

The company is maintaining its presence in the restaurant market with Red Lobster Inn seafood restaurants. At the end of fiscal year 1984, the company had 367 company-operated Red Lobster restaurants in 36 states. A $104 million chainwide remodeling was completed, giving the restaurants oyster/seafood bars, salad bars and open mesquite grills—all additions based on consumer preference tests. Red Lobster advertising topped $30 million in 1984. In addition to Red Lobster, General Mills has maintained its 130-unit York Steak House chain, adding lighter meals to its menu of budget steaks.

General Mills acquired two properties in May, 1985, Leeann Chin's, a Minneapolis-based Chinese restaurant chain, and Vroman Foods, an ice cream novelties manufacturer and distributor based in Toledo, O. Ad agencies have not been assigned for the new units, and it is not known how General Mills' sales and spinoffs will affect advertising for other brands.

Analysts generally applaud General

Mills' decision to play to its strengths by concentrating on package foods. Clinton O. Mayer III, a food industry analyst with Bear, Stearns in New York, says the company is looking good. "Everything is finally in order, the problem areas of the past year have been dealt with, and they have paved the way for future growth," he says. "I think we're going to see some good numbers there."

Mr. Mayer says General Mills always has done well with its cereal business and he expects even better results in that category now that the company will be "devoting even greater energy to it." He also predicts more intensive promotion in the cereal area.

The consumer foods segment, by far the largest business segment at General Mills, had sales of $2.77 billion, up 2.1%, and operating profit of $265.6 million, down 3.5% from $275.3 million in 1983. The operating profit figure was taken prior to redeployment of toy, fashion and several specialty retailing operations.

In 1984, General Mills spent $90.7 million promoting Big G cereals, up 25% from 1983. The company maintained its dollar volume share of the $3.8 billion ready-to-eat cereal market at about 23%, second only to Kellogg Co., with 40%, according to market estimates.

Cheerios remained the company's market leader although it slipped to a 5.2% pound-volume share last year from 5.5% in 1983 and to a 5.5% dollar-volume share in 1984 from 5.8% in 1983.

General Mills spent $14.1 million in measured media on Cheerios in 1984, up from $12.8 million in 1983, according to LNA.

Wheaties continued its ear-catching "Big Boys" campaign in 1984, with a slight twist. Olympic gold-medalist Mary Lou Retton signed a three-year, estimated $400,000 pact with the company, putting her face on Wheaties boxes and her gymnastic feats on the brand's tv spots.

The "Big Boy" jingle was retooled to accommodate the new spots. The company spent $9.7 million to advertise Wheaties in 1984, up from $4.8 million in 1983.

General Mills dropped advertising for Strawberry Shortcake cereal to only $1,300 in 1984 from a high of $3.9 million in 1983. Advertising for Donutz cereal, billed at $2,400 in 1983, was dropped.

The company introduced Bran Muffin Crisp cereal nationally in June, 1985, followed by a July rollout of Fiber One cereal, backed by a $13.5 million tv, coupon and magazine campaign.

Last fall, General Mills tried to update the image of trademark Betty Crocker with male-targeted tv spots touting Betty Crocker cake mixes and frosting. The company spent $9.9 million advertising its cake and muffin mixes in 1984, up 15% from 1983. It added a "Butter Recipe" line of mixes in December, 1984, a banana-nut muffin mix early in 1985, and it dropped its Dark Chocolate Fudge flavor of Ready-to-Spread frosting. The company's Supermoist cake mix achieved a 25% market share in fiscal 1984, and reformulated Creamy Deluxe Frosting reached a 50% share. A new Betty Crocker Classics dessert, cheesecake, is expected to be distributed nationally this fall.

New Tuna Helper varieties were added in May, 1985—Tuna au Gratin and Tuna Salad—and a new Chicken Helper—Chicken, Potatoes and Country Gravy—rolled out in April. The company also added PizzaBake, a new home pizza kit, to its lineup.

The Yoplait yogurt line took a 23.2% share of the national $750 million yogurt market in 1984. Still in second place, the brand increased unit sales 14% over 1983. General Mills gave its Yoplait lines $13.3 million in ad support in 1984, up 77.3% from 1983, according to LNA. New additions to the Yoplait line include Fruit-on-the-Bottom yogurt, rolled out in August, a mixed berry flavor extension to the custard-style line, Sunrise Peach and Strawberry-Banana added to the Breakfast Yogurt line, and the addition of Strawberry-Rhubarb to the original Yoplait.

To the $126 million dried fruit snack category, General Mills added orange-flavored Fruit Roll-Ups, and a raspberry flavor is planned for the fall. During fiscal 1985, the company completed its national rollout of Fruit Bars in strawberry, cherry, grape and orange-pineapple flavors.

The company spent more than $14 million advertising its dried fruit snack lines in 1984.

Unmeasured ad spending at General Mills increased 10% in 1984 to $17.3 million and includes direct mail promotions, contests, co-op advertising, free-standing inserts, point-of-purchase displays and sampling.

According to Randy Mayer, director of promotion services and Betty Crocker enterprises, the General Mills promotion budget also includes a significant amount of couponing.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	2,737	5,621
Magazines	19,694	25,452
Network cable	11,339	10,259
Spot tv	100,253	112,982
Network tv	115,608	100,279
Spot radio	5,351	6,180
Network radio	2,429	2,364
Outdoor	300	197
Total measured	266,112	263,333
Total unmeasured	17,288	15,598
Estimated total	283,400	278,931

GENERAL MILLS
9200 Wayzata Blvd.
Minneapolis, Minn. 55440
(612) 540-2311

Marketing personnel

F. Caleb Blodgett, vice-chmn, consumer foods
Walter R. Barry, exec vp-consumer foods
Arthur Schulze, exec vp-consumer foods
Steven M. Rothschild, exec vp-consumer foods
Stephen R. Demeritt, vp-genl mgr, mktg services
Joe R. Lee, exec vp-restaurant group
Robert J. Blake, dir-adv services, consumer foods
Hal H. Nisch, dir-media services, consumer foods

Advertising Agencies

Backer & Spielvogel, New York—Red Lobster Inns—Wendy Kessler, field acct exec; Susan Nimock, acct exec, mktg & menu planning; Tobi Hochman, acct exec.

Bozell & Jacobs, Minneapolis—grocery, military—Frank Miller, acct super; Mary Schaffhausen, asst acct exec.

Campbell-Mithun, Minneapolis—Big G cereals (Cinnamon Toast Crunch, Crispy Wheats 'n Raisins, Buc-Wheats, Golden Grahams, S'mores), Nature Valley prod, Betty Crocker potatoes, S'mores Crunch—Madeleine Betsch, exec dir-mgmt super; Bruce Sutherland, exec dir-mgmt super, potatoes. Natural Valley—Les Mouser, acct super. Cereal—Rich Rosengern, mgmt rep; Kate Richardson, acct super; John Purdy, acct super.

Dancer Fitzgerald Sample, New York—Big G cereals (Cheerios, Honey Nut Cheerios, Total, Kix, Trix, Lucky Charms, Cocoa Puffs, Monster Cereals, Pac-Man, new prods), Gold Medal flour, Gold Medal Whole Wheat blend flour, Yoplait yogurt, Fiber One cereal—Freeman Bunn, mgmt dir; Marion D. Sims, mgmt super; Anne Altmaier, Anthony Dale, acct supers; Peter Mitchel, Ingrid Jacobson, Jean Shaw, George Carey, Barbara Ryan, Owen Rankin, Debbie Sawch, Frank Pastor, acct execs.

Dancer Fitzgerald Sample, San Francisco—Betty Crocker pancake mix, Wheat Hearts hot cereal, LaPina—Brian Burns, mgmt super.

Hill, Holliday, Connors, Cosmopulos, Boston—Talbots—Pat Casale, mgmt super; Kathy Sharpless, acct super; Diana Dunbar, acct exec.

Laurence, Charles & Free, New York—Gorton Fish, Market Fresh—Susan Hessler, acct exec.

Needham Harper Worldwide, Chicago—Betty Crocker dessert mixes, Bisquick, Fruit Corners (Fruit Roll-Ups, Fruit Bars, Snackin' Fruit), new main meals, new instant meals, Bac-Os, Wheaties, Hamburger, Chicken & Tuna Helper—Robert Savard, exec vp; dir client services; Ray Gillette, mgmt rep, Betty Crocker; Alan Alexander, acct super, Golden Valley; Mark Holtzer, acct super, Minnetonka business; Karen Wagenknecht, acct super, Northstar.

Red Barron Inc./Midland Advertising, Minnetonka, Minn.—foodservice—Ted Young, vp-acct super; Susan VanMaasdam, acct exec.

Wattenmaker, Cleveland—Gorton's Blue Water label frozen seafood—James S. Wattenmaker, acct mgr.

General Motors Corp.

Detroit

RANK 2

($ figures — 000,000)

Worldwide	1984	1983	% chg
Sales	83,890	74,582	12.5
Net income	4,517	3,730	21.1
U.S.			
Sales	69,350	58,680	18.2
Operating profits	3,872	3,460	11.8
Advertising	764	675	13.2
Division sales in U.S.			
Automotive prods.	73,083	63,665	14.8
Nonauto prods.	2,108	1,670	26.2
Defense/space	1,323	827	60.0
Computer systems	140	N/A	N/A

General Motors Corp., Detroit, the 2nd largest U.S. advertiser, increased 1984 ad expenditures in the U.S. by 18.4% to an estimated $763.8 million on record sales and earnings.

Net income in 1984 was $4.517 billion, up 21% from 1983, on $83.89 billion in revenue, up 12.5%.

Returns for General Motors in the second quarter of its current year, however, showed net income of $1.16 billion, a 27.9% drop from the year-earlier period when GM took a $422 million tax credit related to an accounting change.

Second quarter revenues were $24.8 billion, up 14.8%. New product expenses, plant development costs and declining market share caused in part by shortages of some cars were credited with the earnings decline.

Of total ad expenditures in 1984, $520.9 million was in the nine media measured in this report, up 14.8% from 1983. GM's major increases were in newspapers, up 23.9% to $109.4 million; magazines, 7.9% to $96.1 million; spot tv, 52% to $38.5 million, and network tv, up 14.1% to $231.4 million, the largest outlay for any media.

The year was characterized by a massive effort toward diversification and acquisition, expansion in overseas markets and implementing a huge domestic reorganization into small-car and big-car marketing groups.

All activities were masterminded and coordinated by chairman Roger B. Smith, who is putting more of a personal imprint on the No. 1 auto maker than any individual since Alfred Sloan, who ran the company first as president, then chairman from 1923 to 1956.

While acquisitions helped reduce somewhat GM's dependence on the highly cyclical auto industry, the new companies were in related fields and increased the giant auto maker's technological capability. The purchases (computers, aerospace and manufacturing technology and financial services) also provided clues to Mr. Smith's vision of future auto making.

GM kicked off 1984 by purchasing Dallas-based Electronic Data Systems for $2.5 billion. EDS' task is to streamline GM computer and internal communications operations, help diversify the company with ~~outside~~ computer systems management business and eventually serve as the marketing agent for GM computer-aided manufacturing technology.

GM entered the financial services field by acquiring Norwest Mortgage of Minneapolis and the Colonial Mortgage Service group (seventh largest mortgage banker in the U.S.) from Philadelphia-based CoreStates Financial Corp., making GM the nation's fifth largest mortgage lender, but also giving it an entree into financial services beyond its car-loan and dealer-servicing arm, General Motors Acceptance Corp.

Norwest and Colonial mortgage banks were merged Sept. 1, 1985, into a new company, General Motors Mortgage Co., which falls under General Motors Acceptance Corp. G.M.A.C., established to finance cars, through Norwest alone, gains the right to service $11 billion of real estate loans. Colonial has seven companies that together service a mortgage portfolio valued at $9.8 billion.

In mid-1985, GM agreed to purchase for $5 billion Hughes Aircraft, El Segundo, Cal., which gives GM a greatly enhanced presence in U.S. defense contracting and access to aerospace and satellite communications technology. It outbid Boeing and Ford for Hughes.

In between GM bought into five companies, one a specialist in knowledge engineering and the rest specializing in machine-vision processes, a developing technology that allows industrial robots to "see." Typically, GM purchased a minority position and an option for more in exchange for large investments for research and development.

The reorganization of GM domestic operations is designed to make it leaner, more market-oriented and quicker to react to changing market conditions.

Much of 1984 was needed to flesh out key marketing and engineering positions in the Buick-Oldsmobile-Cadillac large-car group headed by Robert Stempel, vp-group exec, and the Chevrolet-Pontiac-GM of Canada small-car group headed by Lloyd Reuss, vp-group exec.

The reorganization moved much of the responsibility of engineering and developing new cars from the divisions to the two groups and made the divisions much more marketing oriented.

In mid-1984 as the reorganization began to take form, the GM Media Council was formed to take a comprehensive look at GM's relationship with its advertising agencies and to maximize effectiveness of the auto maker's advertising. Several sweeping changes occured in the first year of the council's operation.

GM accelerated its one-to-two matching contributions to dealer advertising groups (associations of dealers in individual markets), making that the fastest growing area of GM ad spending with an estimated $105.8 million in factory contributions to match contributions from dealer groups.

Following a month-long study by McKinsey & Co., New York, a management consultant, the media council changed the rules for GM advertising in 1985. Its core agencies were forced to accept lower compensation equivalent to cutting the standard 15% agency commission on media buying to between 12.5% and 13.5%.

Negotiating tv and magazine buys were consolidated corporatewide with individual agencies being assigned to dicker for all GM divisions in a particular tv daypart or in a specific magazine group, although actual media buys once negotiated still were placed by that division's agency.

GM's biggest surprise came Jan. 8, 1985, when it announced the formation of a new subsidiary, Saturn Corp., which eventually will form a sixth car division when the new product is ready in the late 1980s.

It will be GM's "experimental laboratory" for new manufacturing technology, marketing methods and labor and management relations aimed at making GM fully competitive with Japanese auto makers.

Competition between states hoping to land the $2 billion new plant for Saturn became so fierce and widely publicized, GM delayed naming an ad agency until 1986, saying it needed to cool public anticipation of Saturn.

In the midst of these activities, GM's share of domestic car sales slipped 2%, from 59.7% in calendar 1983 to 57.7% in 1984. Its total market share remained at a constant 44.1% but that largely reflected a decline in Japanese share because of import restrictions.

Chevrolet posted a sharp increase in both sales and share with its passenger cars in 1984, reflecting the continued recovery of the domestic auto market. Sales of cars rose 217,696 in 1984 to 1,565,000, or 16.2%. That pushed the Chevy total market share up .38 percentage points to 15.06%. Chevy trucks sales rose from 904,672 in 193 to 1,089,853 in 1984, but Chevy's share fell 3.46 percentage points to 26.93% amidst a market surge to more than four million units.

Chevy altered its marketing strategy to broad-based promotions of large-volume "core vehicles" like the Caprice, Celebrity and Cavalier and supplementary and narrowly-focused campaigns for "niche-fillers" like Corvette, Camaro and Chevette. This was part of a drive to push Chevy's share to 20% of the U.S. market by 1987-88 announced in early 1985 by general manager Robert Burger.

Chevrolet concentrated on rolling out its three-car "Japanese strategy" in 1984-85 despite supply problems due to tighter than anticipated Japanese import quotas. The effort is aimed at increasing penetration in the small-car market and the number of younger buyers, both important if Chevy is to achieve its one-fifth of the market goal.

The first link came in June, 1984, with the West Coast introduction of the Chevy Sprint, a three-cylinder Japanese minicar built by Suzuki Motor Co., Mamamatsu, Japan, in which GM holds a 5.3% stake.

Later in 1984, GM unveiled the Chevy Spectrum on the East Coast. Spectrum is a slightly larger small car built in Japan by Isuzu Motors Limited, Tokyo, in which GM has a 34.2% stake.

The capstone of the strategy is the Chevy Nova, a California-assembled version of the Toyota Corolla made by New United Motors Inc., a joint venture between GM and Toyota. The car was initially marketed in 25 midwest states starting in June, 1985, with a Campbell-Ewald campaign themed "The best of both worlds" and aimed at import-inclined buyers with guilty consciences about not buying domestic.

Although Nova is the only one of the three not completely imported, it is the only one prominently identified in ads as having Japanese roots.

The regional distribution is expected to end early in the 1986 model year as supplies increase.

Chevrolet led a mini-revolt among auto marketers towards the continually rising network tv time costs in the fall, when it dropped its domestic-exclusivity for the 1985 Super Bowl, saying the $1 million-a-minute price-tag was too high to justify.

Pontiac division continued the "We build excitement" advertising campaign into a third year as part of an effort to move its marketing image into younger and sportier territory. Unit sales surged 27.4% to 704,684 in 1984. Pontiac also posted GM's largest divisional share gain, up .76% to 6.78%.

Under the reorganization, Pontiac is charged with holding down the GM lower-cost-sporty quandrant, less expensive than Buick and "more expressive" than Chevrolet. That makes it the division most directly positioned against Japanese imports.

Pontiacs that cannot compete against imports, the aging 1000 subcompact and large Grand Prix, Bonneville and Parisienne, were relegated to a total of $3.26 million in magazine advertising, and ignored in the heavy tv spending Pontiac is using as an imagery tool. "If we can move the public perception of Pontiac to where we want it in a decade, we'll be doing great," says Ed Benson, Pontiac director of market planning. Over-all, tv network and spot spending got four-fifths of Pontiac weight via agency D'Arcy MacManus Masius, Bloomfield Hills, Mich.

The Grand Am, Pontiac's version of the two-door "N-body" compact, became the fifth Pontiac "image" car with a fall 1984 introduction. With roughly 100,000 unit sales in its first model year ending Oct. 1, 1985 and 175,000 projected for 1986, Grand Am is the locomotive for Pontiac sales gains. Introductory ad spending for Grand Am totalled $6.3 million in the last three months of calendar 1984, 90% in network tv and most of the rest for magazines.

Other spending, which was for all of 1984, was concentrated on the other four image cars: Sunbird (formerly

2000), $8.28 million; 6000, $6.59 million; Firebird (including Trans Am), $6.71 million; and Fiero, $779,000. Among the image cars, tv got $27.04 million, magazines got $3.84 million.

To bolster the youthful, sporty pitch, Pontiac sponsored concert tours and increased its participation in motorsports.

Pontiac sent rock duo Hall & Oates on a multi-city U.S. tour, backed by a $200,000 promotional ad budget.

And to top off stock car and sports car racing efforts, Pontiac sponsored the 1984 Trans Am-series race in Detroit to support the Formula One Grand Prix there. Ford Motor Co.'s Mercury division swept the 1984 race and sponsored it in 1985.

Oldsmobile kept to its policy of consistency in advertising that has served it the past decade. Olds' biggest visible change in 1985 advertising was putting gold borders on magazine ads.

Sales rose marginally to 1,056,000 from 1,008,000 in 1983 for another record, but share slipped .81 percentage points to 10.16% as the market for diesel-powered cars evaporated.

Olds had been the biggest diesel-car marketer, so it was hit hardest. GM dropped diesels for passenger cars for the 1986 model year.

Olds' stand-pat attitude on imagery is in line with its task of reaching upscale, conservative buyers under GM's reorganization. All divisions are trying to make their marketing image more distinctive from the others. But as the market moves toward more expressive, sporty cars, Olds only has to stay put to gain that distinction while Buick and Pontiac must leapfrog the market.

Buick division's efforts to move its marketing image were reflected in introductory advertising for the front-wheel-drive Electra in the spring of 1984.

Although plush Park Avenue models dominated sales, ads featured the sporty Electra T-types being tested in Australia and Europe, complete with rally lights, 'roo bars and lots and lots of dust and mud splashes. Copy stressed functional capability, not beauty or deep upholstery. Buick hopes for younger buyers showed up in the fall with the debut of Somerset Regal. "Introducing Buick on the move," trumpeted ads showing the small personal coupe taking a corner.

Buick continued experimenting with a variety of innovative marketing programs, many coordinated by a new Marketing Through Technology office headed by Kirk Aubrey. Computer information centers in shopping malls, telemarketing pilot programs in two cities, a toll-free number for consumers to contact directly Buick personnel and others are designed to make it easier for potential customers to learn about Buick products without having to go to a conventional dealership and to serve as a referral service for dealers.

Cadillac increased corporate sponsorships and broadcast ties to upscale, toney sporting events such as polo and golf and sponsored the competition to select the U.S. entry for the 1986 America's Cup 12-meter ocean racing.

Cadillac's long-term plan calls for moving its marketing image even more upscale and sportier, to appeal to younger, more affluent buyers and head off pricy European imports.

The fwd De Villes introduced in early 1984 are touted as Cadillacs of the future and designed to appeal to younger prospects, although continued demand among traditional, older buyers and resistance from limousine converters has scotched plans to discontinue the rwd Fleetwood Brougham, at least until 1990.

With all-new 1986 Seville and Eldorado models coming in November, 1985, Cadillac's lineup—except for the pardoned Fleetwood Brougham—has changed to front-drive and smaller since 1982. A sports-luxury, two-seater, Allante, is due in 1987 with an Italian body from Pininfarina on a U.S. platform and assembled in Detroit. Cadillac is considering importing an Opel from GM's German operations as a replacement for the Cimarron for 1988.

General Motors continued to establish separate brand identities, for parts and services. Ad spending on Delco Electronic division's stereo systems and the GM-Bose Electronics premium sound systems rose 30% to $3.9 million. Mr. Goodwrench brand oil in its first year on the market received $3.85 million in measured ad support.

Corporate advertising handled by N W Ayer rose 18.1% to $29.4 million in measured media. Only G.M.A.C. saw a sizable decline, 33% to $8.17 million.

GM-PROVIDED ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspaper	$109,359	$88,579
Magazine	96,064	89,020
Network cable	3,157	4,549
Spot tv	38,520	25,678
Network tv	231,443	201,350
Spot radio	30,836	29,079
Network radio	6,746	9,411
Outdoor	3,176	4,183
Farm publication	1,612	1,741
Total measured	520,912	453,591
Total unmeasured	242,888	221,259
Estimated total	$763,800	*$644,850

*Revised

BUICK DIVISION ($000)

	1984	1983
Magazine	$14,853	$10,655
Newspaper	237	153
Network tv	17,520	17,797
Spot tv	4,489	1,619
Network radio	2,367	1,723
Outdoor	257	242
Total Measured	$39,723	$32,189

CADILLAC DIVISION ($000)

	1984	1983
Magazine	7,350	6,094
Newspaper	43	123
Network tv	8,777	7,583
Spot tv	923	432
Network radio	0	1,714
Outdoor	194	26
Total Measured	$17,288	$15,972

CHEVROLET DIVISION ($000)

	1984	1983
Magazine	$24,771	$31,557
Newspaper	0	394
Network tv	117,296	93,362
Spot tv	6,691	3,093
Network radio	268	159
Outdoor	1,925	3,276
Total Measured	$150,951	$131,841

OLDSMOBILE DIVISION ($000)

	1984	1983
Magazine	14,829	9,116
Network tv	15,807	12,084
Spot tv	11,092	6,864
Network radio	0	184
Outdoor	361	303
Total measured	42,089	28,551

PONTIAC DIVISION ($000)

	1984	1983
Magazine	7,492	11,684
Network tv	20,744	19,696
Spot tv	6,702	10,877
Outdoor	121	104
Total measured	35,048	42,361

GMC DIVISION ($000)

	1984	1983
Magazine	3,684	3,200
Newspaper	3	0
Network tv	3,619	5,553
Spot tv	63	366
Network radio	443	1,276
Outdoor	4	2
Total measured	7,816	10,397

GENERAL MOTORS CORP.
3044 W. Grand Blvd.
Detroit, Mich. 48202
(313) 556-5000

Mktg & Product Planning Staff

R.T. O'Connell, vp
J.N. Stewart, exec dir-mktg & prod planning
L. Greg DeYonker, genl dir, mktg planning
D.J. Teasdale, dir-adv
J.W. Finney, asst adv mgr-media
D.P. Bolen, asst adv mgr
Margaret M. Rafferty, super-adv contract dept
Margaret Hudzik, adv traffic coord

Advertising Agency

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Public Relations Staff

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Advertising Agency

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CHEVROLET MOTOR DIVISION

Marketing Personnel

R.D. Burger, genl mgr
R.W. Starr, genl sales & service mgr
T.A. Staudt, genl mktg mgr
C.N. Moore, asst genl sales mgr
M.H. Erdman, mktg mgr-trucks
T.R. Chick, mgr-passenger car adv
H.J. Cordes, mgr-truck & station wagon adv
J.J. Williams, pr dir

Advertising Agency

Campbell-Ewald Co., Warren, Mich.—P.L. John, chmn-ceo; P.A. Dow, president-coo; S.K. Fitzpatrick, exec vp-creative dir; R.W. Mitchell, exec vp-dir agency planning; W.J. Tausch, exec vp-acct dir; A.J. Hopp, D.D. Williams, group senior vp-group mgmt supers; D.H. Plansker, group senior vp-creative dir, broadcast; R.A. Anderman, J.A. Barczyk, T.J. Birchfield, T.R. Boyd, R.D. Eick, J.B. Hammond, senior vp-mgmt supers; D.L. Gould, senior vp-creative dir, print; L.M. Rau, senior vp-dir creative operations; R.G. Smith, senior vp-mgr strategic planning & rsch; D.C. Bryant, J.F. Else, R.M. Hrtanek, M.J. Sandling, T.A. Thomson, vp-acct supers; F. Fraser, vp-dir automotive mktg; W.R. Kennedy, vp-dir prod info; B.E. Smiley, vp-mgr prod info; E.A. Skowronski, vp-senior acct exec.

PONTIAC MOTOR DIVISION

Pontiac, Mich.

Marketing Personnel

J. Michael Losh, genl mgr
E.M. Schlesinger, genl sales mgr
H.S. Christie, asst genl sales mgr-East
C.E. Chambliss, asst genl sales mgr-West
R.J. Sherman, asst genl sales mgr-service
R.E. Benson, dir mkt planning
W.H. Ross, asst genl sales mgr-admin
C.A. Curry, adv mgr
E.H. Smith, merch mgr
W.J. O'Neill, dir-pr
J.H. Graham, dir-productions & communications

Advertising Agency

D'Arcy MacManus Masius, Bloomfield Hills, Mich.—William W. Haney, senior vp-dir, corp communications; Ronald Monshak, chmn; Robin Smith, vice chmn; James P. Doyle, president; Stephen C. Kopcha, exec vp-exec creative dir; John T. Greening, senior vp-dir of strategic planning. Pontiac acct group—Mark Gjovik, senior vp-mgmt super; George Acree, vp-merchandising; Michael Valant, vp-group acct super, adv; Richard W. Halladay, senior acct exec-sales aid; Patricia Brown, acct mgr; Noel Nauber, senior vp-group creative dir; Peter DeLorenzo, vp-associate creative dir; George Rogers, senior vp-dir media services; Charles Stannard, senior vp-dir mktg & rsch; R. Patrick McCarthy, senior vp-dir communications; Jo Bourjaily, mgr-communications; Lucien DiSalvo, George Scott, senior vps, Greenhouse (new product division); Ronald Wroblewski, vp-mgr, spot broadcast; Robert Brownell, vp-dir traffic & production.

BUICK MOTOR DIVISION

Marketing Personnel

D.E. Hackworth, vp-General Motors Corp., genl mgr Buick Motor div
W.J. Atkinson, genl sales mgr
R.J. Adams, asst genl sales mgr-admin
R.E. Coletta, asst genl sales mgr-northeast
R.L. Ingersoll, asst genl sales mgr-central
J.J. Faerber, asst genl sales mgr-southeast
F.H. Dorgin, asst genl sales mgr-midwest
W.K. Ramsey, asst genl sales mgr-west
L.D. Robbins, asst genl sales mgr-service
H.E. Savage Jr., dir-adv
T.M. Edwards, adv mgr
T.L. Pond, dir-pr
A.L. Roman, dir-merchandising

Advertising Agency

McCann-Erickson, Troy, Mich.—Gerald C. Atkin, exec vp-genl mgr; Jan Starr, senior vp-mgmt rep; James L. Ramsey, senior vp-exec creative dir; W. Brien Schweikart, senior vp-dir, media services; Richard A. Hill, vp-natl group acct super; Glynn Armitage, vp-regional group acct super; Harold W. Randall, vp-acct super-collateral; Jan L. Woznick, vp-dir-strategy devel & rsch; Barbara J. Gaston, vp-pr coord; James Moore, acct super-tactical group; Keith Mandish, acct super-brand devel group; Helen Seligman, associate media dir; Patrick Simmons,

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You say tomato . . .

For those who wish to celebrate, let it be known that last year marked the 206th anniversary of the first recorded mention of catsup in America, tomatoes having been used for that worthy purpose in New Orleans in 1779.

In The Nation's Richest Hispanic Market, We Deliver The Cream.

The Miami Hispanic Market is unlike any other Hispanic market in the U.S. It's richer in per capita income. More dynamic. More powerful. More loyal to the Spanish language than any other Hispanic community.

And Miami's biggest Hispanic spenders spend a lot of time with one media in particular: Diario Las Américas—The Spanish language daily newspaper.

	Miami Hispanic Market Households	Diario Las Américas Reader Households
FAMILY INCOME	$24.996	**$28,050**
PERSONS PER HOUSEHOLD	3.2	**3.4**
PERSONS EMPLOYED PER HOUSEHOLD	1.3	**2.0**
HOUSEHOLDS WITH SCHOOL-AGE CHILDREN (UNDER 18)	22.5%	**32%**
EDUCATIONAL LEVEL OF HEAD OF HOUSEHOLD–UNIVERSITY/COLLEGE	21.6%	**29.8%**
OCCUPATION OF HEAD OF HOUSEHOLD WHITE COLLAR	25.5%	**45.4%**
HOMEOWNERSHIP	41.9%	**60.5%**
CAR OWNERSHIP	78.4%	**92.2%**
TWO OR MORE CARS	49.8%	**62.4%**
CREDIT CARD OWNERSHIP	36.2%	**77.8%**
FOOD EXPENDITURES (PER WEEK)	$98.54	**$102.60**

SOURCES:
The 1985 South Florida Latin Market and
Diario Las Américas 1985 Reader Profile,
both conducted by Strategy Research Corporation.

We Deliver The Cream.

For your free Diario Las Américas 1985 Reader Profile, call Enrique J. Pérez, Advertising Director, or just mail your business card to us.

Diario Las Américas
The Spanish-language Daily Newspaper
Founded July 4, 1953

Diario Las Américas
2900 N.W. 39th Street
Miami, Florida 33142-5193
(305) 633-3341

Represented nationally by: Cresmer, Woodward, O'Mara & Ormsbee, Inc. (CWO&O)

senior acct exec-tactical group; Todd Ralph, regional mktg coord; Robert Kleary, acct exec-tactical group; Cathy Thompson, acct exec-collateral group.

OLDSMOBILE DIVISION

Marketing Personnel

W.W. Lane, genl mgr
J.F. Mattox, genl sales mgr
D.L. Nciech, asst genl sales mgr-east
P.R. Gerom, asst genl sales mgr-mktg & dealer activities
F.J. Asbell, asst genl sales mgr-west
G.W. Sigman, admin asst to genl sales mgr
R.L. Ross, dir-mktg
P.F. Workman, dir-pr

Advertising Agency

Leo Burnett Co. of Michigan, Southfield, Mich.—John C. Ryan, exec vp-genl mgr; Roger K. Bailey, vp-acct super; Joseph P. Henry, vp-media dir; Robert G. Smith, Lawrence Doyle, acct execs; William F. Swink Jr., vp-mktg & merch super; Roger Bodo, vp-creative dir (Detroit); Edwin L. Scully, vp-office mgr, secretary-treasurer; Thomas J. Boyle, vp-acct dir.,

CADILLAC MOTOR CAR DIVISION

Marketing Personnel

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J.R. Kitzmiller, asst genl sales mgr-field personnel
F.R. Cadicamo, dir-merch
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Advertising Agency

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GM TRUCK & BUS GROUP
(GMC Truck)

Marketing Personnel

Charles Katko, GM vp-truck & bus group exec
Alexander A. Cunningham, GM exec vp
John D. Rock, mgr-GMC truck & coach operation
Duncan A. Brodie, genl dir-truck sales
Richard Weston, mktg dir
James E. Wenzel, merch mgr
Donald C. Huss, dir-pr
Candace M. Robbins, mgr-natl adv

Advertising Agency

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AC-DELCO

Marketing Personnel

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A.H. Schwerzel, dir-operations
T.D. Lang, sales mgr-operations
D.K. Colliver, mgr-adv sales promo & pr

Advertising Agency

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DELCO ELECTRONICS DIVISION

Marketing Personnel

D.J. Almquist, genl mgr
J.C. Crawford, genl sales mgr
A.W. Mattaliano, asst genl sales mgr
Luis Eado, adv mgr
W.B. Draper, director pr

Advertising Agency

Campbell-Ewald Co., Warren Mich.—R.D. O'Connor, chmn (New York); P.L. John, chmn-ceo; P.A. Dow, president-coo; R.H. Shirmer, exec vp-acct mgmt; J.E. Hong Jr., senior vp-mgmt group super; O.G. Connhaughton, senior vp-mgmt super; D.J. Nuzma, senior acct exec.

GENERAL MOTORS PARTS
Detroit, Mich.

Marketing Personnel

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J.T. O'Connor, sales mgr-west
S.D. Segalini, sales mgr-east
C.S. Wagner II, sales mgr-central
E.L. Schreitmueller, dir, intl sales & mktg
E.M. Green, sales mgr, admin
E.J. Carey, sales mgr-dealer devel & services
R.T. Strohm, sales promo-adv mgr
D.E. Poole, dir-pr

Advertising Agency

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GENERAL MOTORS ACCEPTANCE CORP.
(includes General Motors Mortgage Co.)

Marketing Personnel

R.F. Murphy, president
G.G. Fenner, group vp-mktg
C.A. Krauss Jr., vp-public affairs & adv

Advertising Agency

Campbell-Ewald Co., Warren, Mich.—P.L. Jones, chmn; P.A. Dow, president-coo; J.J. O'Neal, group senior vp.

SATURN CORP.
Troy, Mich.

Marketing Personnel

W.E. Hoglund, president
J.G. Middlebrook, vp-mktg

HUGHES AIRCRAFT CO.
El Segundo, Cal.

Marketing Personnel

J.L. Winkel, senior vp-mktg
Lee Pitt, vp-corp communications
Alma Gonzalez, adv mgr

Advertising Agency

Bernard Hodes Advertising, Encino, Cal. —recruitment—Debbie Socheck, mgmt super.

FCB/Honig, Los Angeles—Dave Lewis, mgmt dir.

Gillette Co.

RANK 46

Boston

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	2,289	2,183	4.8
Net income	159	146	9.2
U.S.			
Sales	1,102	1,020	8.1
Operating profits	183	173	5.9
Advertising	166	178	-6.7

Gillette Co., the 46th largest national advertiser, decreased its U.S. ad spending 6.1%, to an estimated $165.7 million in 1984. Worldwide sales for the year increased 4.8% to $2.29 billion, and earnings rose 9.2% to $159.3 million. Sales for the U.S. and Canada rose 8.1% to $1.1 billion.

Gillette continued to show increases in the first half of 1985 with sales for the six months ended June 30 rising 4.8% to $1.153 billion and net income increasing 4.6% to $81.9 million.

Worldwide advertising, including sampling, decreased slightly to $242 million from $243.7 million. Sales promotion rose 13.1%, to $148.1 million, according to Boston-based Gillette.

For 1984, among the four business segments, sales of blades and razors rose 2%, to $768 million (still below 1982's $781 million), while operating profits advanced 4% to $256 million. Sales of toiletries and cosmetics inched ahead 1%, to $697 million, while operating profit declined 7% to $57 million.

Operating profits had been $66 million in 1982. The two segments respectively make up 34% and 30% of Gillette's total sales.

Writing instruments and office products moved ahead 9% to $275 million, accompanied by an operating profit increase to $11 million from $3 million, or 367%. Sales of the West Germany-based Braun Products segment rose 3% to $394 million, with operating profits of $44 million, up 16%.

In the crucial blades and razors segment, Gillette holds a 60% share of the blade market, 70% of the razor market, according to David Preston, president of Safety Razor division. Diana Temple, vp of Salomon Brothers, New York gives razor blades a 61.5% share of a $680 million market.

Atra cartridges and razors increased their market shares in the U.S. Contour-pivoting head razors remained the best seller in Europe. Led by the Good News! Pivot razor, domestic sales of disposable razors moved ahead, and the brand held the top position in its category. Gillette also maintained the top position in the declining double-edge blade market.

As measured by Leading National Advertisers, spending in six major media on Atra razors declined 6.7% to $9.7 million. Measured spending on the Good News! disposable razor increased 9.6%, to $5.7 million. Network tv accounted for $2.8 million of the spending, and network radio for $1.1 million.

"We are very steady in support of major systems and disposables," Mr. Preston says. "Atra and Good News! get relatively equal weight, reflecting the significance of the segment."

New in 1985 is the Atra-Plus shaving system, a refillable Atra cartridge with a lubricating strip. It sells for $3.99 to $4.95. Late this year Gillette will ship the disposable MicroTrac twin blades razor, with a package of five expected to sell for 99¢. The campaign is expected to receive $11 million. Ms. Temple says the product's importance stems from its use of low-cost manufacturing technology. She linked this to Gillette's "emphasis on cost savings," as well as a move into lower-priced products.

In toiletries and cosmetics, gains by White Rain hair spray countered weaker sales by other brands. Gillette held a 17.8% share of hair sprays. Broader European distribution of Silkience hair spray boosted international sales for that category. Silkience's market share among conditioners slipped a point, to 8.2%. Domestic shave cream sales moved ahead, buoyed by the Brush Plus shaving system introduced in October, 1984. Measured spending on Brush Plus, a shave cream and brush package, was $3.2 million. Network tv took $2.8 million of that.

Foamy brand products remained the top seller in the U.S., according to Gillette, as Ms. Temple gave them a 27.5% market share. Measured spending for the Foamy gel rose sharply to $4.9 million from $1.4 million, while spending on Foamy shave cream dipped to $435,000 from $3.1 million. Measured spending on Right Guard antiperspirant more than doubled, to $2.7 million from $1.3 million, while spending on Right Guard antiperspirant spray dipped to $3.6 million from $9.5 million.

Domestic shampoo sales fell, and advertising for Mink replenishing shampoo, for example, nose dived to only $331,000 from $5.4 million. Measured spending on For Oily Hair Only shampoo disappeared, from $6.1 million in 1983. Ms. Temple says market share for shampoo slipped a point, to 3.2%, noting, "They didn't increase advertising to match the great battles in shampoo."

Measured spending for Body Flowers body spray was $8.6 million, although market share came slowly. Ms. Temple says, "I'm not sure why it hasn't lived up to its earlier promise. Maybe a broader position would help."

Gillette also shifted measured spending among Soft & Dri antiperspirants, cutting back on support for roll-ons and solids in favor of sprays.

Gillette started to extend its Good News! brand name, previously used only on disposable razors. This spring Gillette introduced deodorant, antiperspirant, shampoo and shaving cream with the brand name in a Seattle test market. If it works, the new line could be rolled out nationally next year. Ms. Temple saw this as a means of getting more floor space from retailers. Also, it fits with increasing "polarization" of income levels, as the number of lower-income Americans rises. "A lot of people are constrained on budgets and want value," she says.

In a growing U.S. market for ball-point pens, Gillette's writing instruments division increased measured advertising for Paper Mate ball-point pens to $4.5 million from $1 million. Sales fell in the refillable category, but rose in disposable ball-point pens, especially with the Write Bros. stick pen.

New product introductions were Accu-Point rolling-point pen and the Paper Mate Sharpwriter pencil, Gillette's first disposable mechanical pencil. Also new was the Rollerstick pen and the Advancer pencil. Office products rose, with Liquid Paper correction fluid improving its leading share as measured advertising rose to $1.3 million from zero.

The Braun segment set up an American subsidiary with plans to market electric shavers and personal care products in the U.S. A Northeast rollout was set for July with men's and women's shavers. The market is led now by Norelco and Remington with 50% and 35% market shares, respectively.

Gillette also assumed a leadership role in using split-30s in its tv advertising. Foamy, Bare Elegance and razor blades got the treatment. Gillette also used them during the World Series telecasts. Ultimately, 22 major brands were to be affected, with the 15-second units used to build reach and frequency, as well as build exposure for products with smaller budgets. The creative approach is to edit 30-second commercials to a core message of 15 seconds.

In October, Gillette sold its Cricket disposable lighter line to the Swedish company, Stockholm.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,669	1,839
Magazines	10,830	924
Network cable	254	221
Spot tv	11,800	11,394
Network tv	60,800	75,286
Spot radio	1,095	1,456
Network radio	1,425	2,692
Total measured	87,873	93,812
Total unmeasured	77,800	83,700
Estimated total	165,673	177,512

GILLETTE CO.
Prudential Tower Bldg.
Boston, Mass. 02199
(617) 421-7000

Advertising Services Division

Thomas A. Lux, dir spot/print/barter/-new technologies
Allen K. Gibbs, dir-media services
Ronald Harding, dir-tv commercial production
Howard Fisher, dir-tv-network buying
Robert J. Evans, dir-promo services

SAFETY RAZOR DIVISION

Marketing Personnel

Derek W.F. Coward, vp-mktg
Joseph H. Crist, mtkg mgr-disposable razors
Robert Leger, mktg mgr-permanent refillable razors
W. Scott Roberts, vp-sales

Advertising Agencies

BBDO, New York—Atra, Good News!, Pivot, Trac II, Atra Plus—Ken Rodgers, exec vp-senior mgmt rep; Michael Paxton, senior vp-mgmt super; Phil Dusenberry, vice-chmn of the board, exec creative dir; Ted Sands, exec vp-creative dir; Harvey Hoffenberg, senior vp-assoc creative dir; Lenny Kruse, acct coord; Helen Ix, acct exec, Goods News!, Pivot, Atra.

Marschalk Co., New York—Daisy—Andrew Langer, president; John Lucas, assoc creative group head; Stan Karp, vp-acct super; Barry Linsky, exec vp; Jim Overend, acct exec.

PERSONAL CARE DIVISION

Marketing Personnel

Robert N. Forman, vp-mktg
John Darmon, mktg mgr-styling aids, shaving preps
Michael Nadelberg, mktg mgr-deodorants, antiperspirants & skin-care
M. Gage Heath, mktg mgr-new prod
Linda B. Keene, mktg mgr-shampoos & conditioners

Advertising Agencies

N W Ayer, New York—Adorn, Body Flowers, White Rain, Mink Difference, Aapri—Janet Keeler, senior vp-mgmt super.

BBDO, New York—Soft & Dri, Dry Look, Dry Idea—Anthony Brescia, vp-mgmt super.

Marschalk Co., New York—Trac II and Foamy shave creams, Foamy gel, Bare Elegance moisturizing soap, Tame, Toni, Brush Plus—Lil Panettiere, vp-mgmt super.

Young & Rubicam, New York—Right Guard, FOHO shampoos and rinses, Silkience shampoo and conditioner—Ed Lebar senior vp-mgmt super.

PAPER MATE DIVISION

Marketing Personnel

Carmen A. Comite, vp-mktg.
Maureen C. Moriarty, mktg mgr-new prod/new business
Robert D. Warren, mktg mgr-existing brands
J.A. Morrison, prod mgr-refillable systems
Scott G. Searle, prod mgr-porous prod
Kathleen Leone, senior prod mgr-correction fluids

Advertising Agencies

Hill, Holliday, Connors, Cosmopulos, Boston—Liquid Paper, safety razor, new prod, Paper Mate trade adv—Pat Casale, mgmt super; John Riley, acct super.

McCann-Erickson, New York—Paper Mate ball-point pens, Eraser Mate, Flair porous prod, Accu-point, Sharpwriter, Advancer, Rollerstick—Ian Hooper, senior vp-mgmt rep, Larry Coppersmith, acct super.

JAFRA COSMETICS INC. (USA)
Westlake Village, Cal.

Ronald B. CLark, president

Goodyear Tire & Rubber Co.

RANK 97

Akron,. O.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	10,241	9,736	5.2
Net income	411	306	34.5
U.S.			
Sales	7,092	6,672	6.3
Operating profits	643	577	11.6
Advertising	65	59	10.2

Goodyear Tire & Rubber Co., Akron, O., the world's largest manufacturer of tires and rubber products, was the 97th largest national advertiser in 1984 with an estimated $64.7 million in ad expenditures, an increase of 12% over 1983.

Goodyear reported net income of $411 million, up 34.5% from 1983, on sales of $10.2 billion, up 5.2%. Revenues from U.S. operations accounted for $7.1 billion, or nearly 70% of total sales.

Goodyear's principal business is the manufacturing, distribution and sale of tires, where it is the market leader with a 31% share, but the company also produces and sells a broad spectrum of metal, rubber and plastics products for the transportation industry and various industrial and consumer markets.

In addition, the company manufactures synthetic rubber, chemicals, numerous high-tech products for aerospace, defense and nuclear energy applications. The company also engages in various gas and oil transmission, exploration and production activities, primarily through the Celeron group of companies acquired in 1983.

For the first quarter of 1985, Goodyear reported a drop in net earnings of 22.5% to $86.7 million from the comparable quarter of 1984. Revenues for the first quarter declined 2% to $2.46 billion. The company attributed the lower sales and earnings to a general decline in the replacement tire market, a strike at its Valley Field, Quebec, plant, price-cutting by some competitors and the strong U.S. dollar.

In early 1984, Goodyear, along with other U.S. tire marketers, began reshaping its marketing strategy in an effort to ward off low-priced foreign competition. The emphasis shifted from low-priced goods to upgraded all-season tires and performance tires.

Early last year, Goodyear launched a tv campaign for Vector, its all-season tire. It also put heavy advertising support behind Eagle GT, its premium performance line. Last October, Goodyear introduced the Unisteel G159, a radial light truck tire for commercial vehicles.

The company also introduced Wing-Fil, a soft durable polyurethane rubber that replaces air in the tire and rim cavity. Wing-Fil is being offered by truck tire dealers, following its initial introduction through 19 Goodyear truck tire centers.

During the year, Goodyear, which had measured advertising in nine media of $47.4 million, up 13.7% from 1983, plowed most of that increase into Goodyear car tires. Car tire spending was $11.5 million, up from $4.8 million. Other fluctuations included a decline of 10.2% to $21.8 million for auto & truck tire promotions as a combo; a drop of 7.6% in Goodyear Service Stores automotive advertising to $6.2 million.

Increases in 1984 measured spending were registered in magazine, spot tv, network tv and network radio advertising. The largest increase was in spot tv where spending was increased 36% to $5.8 million. This was followed by magazine advertising, up 32% to $6.6 million, and network tv, up 8% to

Humble Nebraska start

Beatrice Cos., Chicago, began in 1894 as a butter and egg supplier in the Southeastern Nebraska town of Beatrice, about 40 miles south of Lincoln. Spreading beyond its original area, the company marketed a wider range of dairy products, and by the 1940s and 50s its Meadow Gold dairy brand was familiar in the central U.S. Beatrice now reaches around the world, producing products in more than 30 countries and marketing in more than 100. It has 600 brands, 350 companies, nearly 9,000 products, and in the past two years alone has introduced more than 140 new products.

slightly more than $30 million. The company spent $420,000 on network radio last year. In 1983, network radio was not on the schedule.

During the first quarter of 1984, Goodyear awarded its $30 million international account to McCann-Erickson, New York. McCann, which handles most of the company's overseas business, beat out J. Walter Thompson USA, which handles the $40 million domestic business for Goodyear.

Goodyear announced in June that Tenneco Inc. had agreed to buy three of its natural gas pipelines for $440 million.

The sale appeared to indicate that the company, in part, has been re-evaluating its decision to diversify into the gas and oil industry.

In 1983, Goodyear reportedly paid $822 million in stock for the pipelines and other assets of Celeron Corp. According to one report, Goodyear has called the sale to Tenneco a "refinement" of that diversification and indicated that it will retain oil reserves and certain other assets of the Celeron Group.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	6,513	4,999
Network cable	609	879
Spot tv	10,457	11,653
Network tv	26,957	22,633
Spot radio	732	262
Network radio	999	655
Outdoor	713	223
Farm pubs	332	407
Total measured	47,412	41,711
Total unmeasured	17,288	17,000
Estimated total	64,700	58,711

GOODYEAR TIRE & RUBBER CO.
1144 E. Market St.
Akron, O. 44136
(216) 796-2121

Marketing Personnel

George S. Lenox, vp
James K. Devoe, dir
Norbert J. Drol, adv mgr-truck & farm tires
David G. Oby, mgr-retail adv
Davis M. Jones, mgr-retail adv planning
Charles P. Lehman, adv mgr-dealer adv
C. Ronald Graham, mgr-genl prod adv
James T. Manning, adv mgr, chemicals, roofing, aerospace
Lee Wrobbel, adv mgr-industrial prod & films
George S. Drop, mgr-media services
Grant R. Erikson, mgr-audiovisual center
Donald H. Watt, mgr-visual merch
W. John Schick, mgr-adv admin
Jack R. Houlette, mgr-creative adv

Advertising Agencies

Norman Malone Associates, Akron, O.—Harry Stitzlein, chmn; Joe Mazzagatti, acct exec.

McCann-Erickson Worldwide, New York—intl business—Peter J. Kennaby, worldwide mgmt dir.

J. Walter Thompson USA, New York—domestic business—Robert G. Beauregard, North America mgmt dir; Peter Hanley, senior vp-acct dir.

Grand Metropolitan p.l.c.
London, U.K.

RANK **90**

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Sales	7,000	6,200	12.2
Net income	661	561	17.8
U.S.			
Sales	2,040	N/A	N/A
Operating profits	N/A	N/A	N/A
Advertising	76	57	34.2
U.S. division sales			
Pet foods	30	23	30.4
Soft drinks	31.4	27.7	13.4
Cigarets	78	61	27.9
Fitness	24.2	17.8	36.0
Paddington	240	N/A	N/A
Carillon	95	N/A	N/A

GrandMet USA, Montvale, N.J., which includes Liggett & Myer's tobacco products and Alpo dog food, was the nation's 90th largest advertiser, spending an estimated $76.2 million advertising in the U.S. in 1984, a 34.2% increase over 1983.

GrandMet USA is a subsidiary of Grand Metropolitan p.l.c., London, which had worldwide sales of $7 billion in 1984, up 12.2% from 1983. Net income increased 17.8% to $661.4 million in 1984.

Sales and earnings for both 1984 and 1983 fiscal years were converted from pounds to dollars at the rate of £1.3774 = U.S.$1.

U.S. sales for GrandMet USA were up 27% to $1.7 billion in 1984. GrandMet USA figures do not include several nonconsolidated U.S. subsidiaries of Grand Metropolitan p.l.c. Among these nonconsolidated units are Paddington Corp. and Carillon Importers.

GrandMet by October, 1985, will have added another U.S. subsidiary—Pearle Health Services Inc. of Dallas—when it completes a purchase it began earlier in the year.

Paddington, marketer of J&B Scotch, had 1984 sales of $240 million, and Carillon Importers (Absolut vodka) had sales of $95 million, according to the 1986 edition of *Impact Yearbook*. Sales from these companies, GrandMet USA and minor contributions from other subsidiaries, delivered $2.04 billion in total U.S. sales to Grand Metropolitan p.l.c. in 1984.

Liggett & Myers Tobacco Co., Durham, N.C., which accounts for most of GrandMet's U.S. sales, increased its total share of market 21% to 5.8% in 1984 from 1983, according to a report by analyst John C. Maxwell Jr.

The dramatic increase in market share in the static cigaret market was because of Liggett's generic brands, despite the influx of generic competition from market leaders R.J. Reynolds Tobacco Co. and Brown & Williamson. (Philip Morris leads the cigaret market with a 34.5% market share.)

Competition has been so intense that it has even been waged on marketing nuances.

When Brown & Williamson introduced its generic cigaret in 1984, the package had an "O" on the top seal. Liggett, whose generic cigaret packs display a "Q"—the Quality Seal—sued Brown & Williamson alleging trademark infringement and predatory pricing. The litigation continues.

Liggett spent the bulk of cigaret ad dollars on the Eve brand. Total measured spending for Eve decreased 2.9% to $6.8 million in 1984, but the brand steadily receives one of GrandMet's largest advertising commitments.

Although L&M and Dorado brands had combined advertising expenditures of less than $1 million, Liggett research found the L&M name had good recognition. New packaging and advertising are being tested in the northeastern U.S.

Liggett introduced Stride as a mid-price cigaret ($1 less per carton, 10 cents less per pack) in January, 1985. Testing of the new brand during 1984 accounted for $455,000 in measured media spending, according to Leading National Advertisers, and was partially responsible for GrandMet's 193.5% increase in newspaper advertising as reported by Media Records.

Operating income for cigarets in the U.S. increased 28.8% to $77.9 million in 1984.

GrandMet sold Pinkerton Tobacco Co., Owensboro, Ky., in July, 1985, for about $138.5 million to Svenska Tabaks A.B. Pinkerton's principal brand is Red Man, a smokeless tobacco, which in 1984 accounted for about $2.4 million in GrandMet ad spending.

GrandMet's largest single advertising expenditure, however, went to Alpo Petfoods (formerly Allen Products). Alpo canned dog food was the market leader, with a 27.5% share of dollars, in canned dog food sales in 1984 with sales up 15.0% to $230 million from 1982, according to the Maxwell Report. Alpo's share in 1983 was 25% of the market.

Ad spending of $10.8 million in 1984 for Alpo canned dog food increased dramatically from $4.7 million in 1983, according to LNA. Alpo canned, dry and beef bit products had combined ad spending of $17.7 million in 1984, up 38.3% from 1983.

Nearly 63% of ad spending for Alpo brands, or $11.1 million, went to network tv. About $2.5 million went to spot tv and another $2.5 million went to magazine advertising.

Another Petfoods product, Liv-A-Snaps, showed a 51% decrease in ad spending, to $177,500 in 1984.

Paddington Corp.'s largest ad spending went to J&B Scotch, the 16th largest distilled spirit by case depletion, according to *Impact Databank*, and the second largest scotch by case depletion, behind Schenley Imports' Dewars.

New York-based Paddington boosted J&B's ad spending 15.8% to $6.6 million in 1984.

Paddington decreased measured spending for Baileys Original Irish Cream liqueur, the 40th largest distilled spirit by case depletions, according to *Impact*.

Spending dipped 1.9% from 1983 to $5.1 million in 1984. Liquor industry estimates place Baileys' share of the cream liqueur market at 50%, making it the undisputed leader.

Among Carillon Importers' products, Absolut vodka got an increase in ad spending of 40.9% to $2.4 million in 1984. Bombay English gin also received an ad spending boost of 72.7% to $1.7 million in 1984.

Some foreign and/or private companies do not divulge sales or income figures. Where estimates could not be obtained, N/As appear in charts and the boxed information preceding the profiles to indicate "not available."

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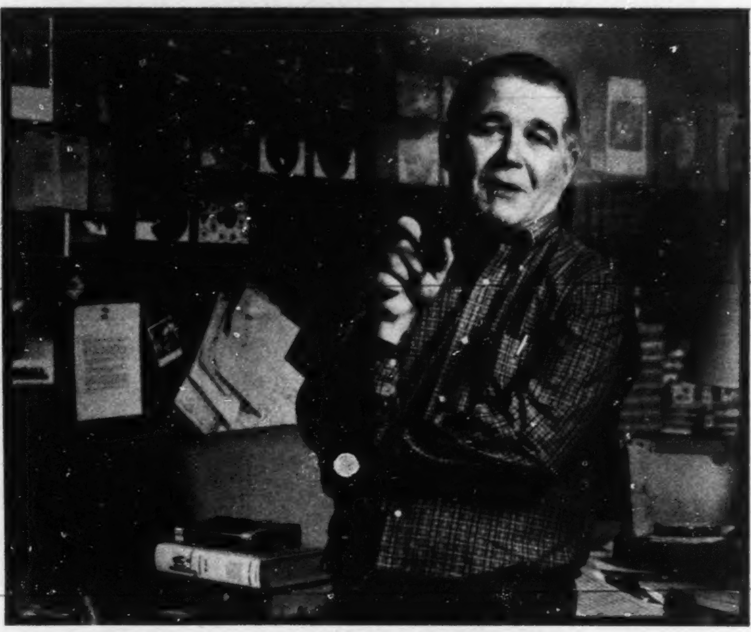

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ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	12,842	4,375
Magazines	28,523	26,100
Network cable	1,058	1,229
Spot tv	6,113	6,941
Network tv	17,007	9,083
Spot radio	70	55
Outdoor	5,240	4,933
Total measured	70,852	52,795
Total unmeasured	5,348	4,000
Estimated total	76,200	56,795

GRAND METROPOLITAN p.l.c.

100 Paragon Dr.
Montvale, N.J. 07645
(201) 573-4000

Corporate Marketing Personnel

Walter Scott, chmn of the board
Jonathan W. Old, president-ceo
Tom Gaffey, chief financial officer
Jim Adams, vp-corp devel & strategic planning
Al Kalish, dir-corp adv
Dave Jackson, natl dir-trade & sales promo
Steven Cohen, dir-mktg private label & generic
Bobby Rigsbee, dir-purchasing

Advertising Agency

The Bloom Cos., Dallas—Eve Lights, L&M, Chesterfield, test prod—Alan Armstrong, senior acct super; Bob Robinson, senior acct exec; Cathy Patterson, asst acct exec; Steve Price, mgmt super; Charlotte Weissenberger, senior vp-media dir; Bev Leibee, associate media dir.

LIGGETT & MYERS TOBACCO CO.

Durham, N.C.

Marketing Personnel

K.V.R. Dey Jr., president-ceo
Hal Grant, vp-sales & mktg
Don Fish, natl dir-adv & promo
Walt McDonald, product mgr
Fred DiMenna, adv promo mgr
Joe Drescher, group promo mgr
Bob Seher, dir-sales admin & services
Jim McPartland, eastern region sales mgr
Ennis Laws, southern region sales mgr

PADDINGTON CORP.

New York, N.Y.

Marketing Personnel

Peter Thompson, president-ceo
Frank Zuracino, vp-natl accts
Chuck Nardizzi, vp-mktg
Al Giordano, vp-rsch planning
Joe McKenna, vp-pr
Paul Tynan, brand mgr, Bailey's Original Irish Cream
Lisa Donati, brand mgr, J&B
Kevin Meltugh, vp-eastern
Andrew Cohen, sales promo dir
Robert Green, senior vp-sales
Ann E. Berenger, mgr-sales, rsch

Advertising Agency

Backer & Spielvogel, New York—J&B rare scotch, Catto's Gold Label scotch, Royal Ages scotch, Knockando scotch, Baileys Original Irish Cream liqueur, Demi-Tasse coffee cream liqueur, Malibu rum, Steidl's wine cooler—James D. Kahn; Christopher J. Marentis, asst acct execs; Lawrence J. Rosenthal, vp-acct dir; Constantine E. Scaros, senior vp-mgmt super; David A. Stein, vp-mgmt super.

CARILLON IMPORTERS

New York, N.Y.

Marketing Personnel

Michel Roux, president-ceo
Dick McEvoy, vp-mktg
John Aletano, natl sales mgr
Ernie Capria, mgr-mktg services & planning

Advertising Agency

TBWA Advertising, New York—Grand Marnier, Absolut vodka, Bombay gin, Piat D'Or wine, La Grand Passion—William Tragos, chmn-ceo; Richard Costello, president; Brian Barry, vp-mgmt super; John Doman, senior vp-mgmt super; Claude Fromm, senior vp-media dir; Reatha Braxton, media super; Terrie Palidino, acct exec; Darren Finnie, acct exec.

ALPO PETFOODS INC.

Allentown, Pa.

Marketing Personnel

Joe Sestak, president-ceo
Jack Foley, senior vp
Frank Krum, senior vp-mktg & sales
Bob Beckwith, vp-sales
Jim Schmoyer, senior vp-operations
Ty Allen, group mktg mgr
Katherine Hillman, group mkgt mgr
Bill Crompton, group mktg mgr
Bart Campbell, dir-communications & pr

Advertising Agency

Weightman Inc., Philadelphia—Alpo canned & dry dog food, Ei-ta dog biscuits, Liv-A-Snaps pet treats, Alamo dry dog food—John Goodchild, president; Ralph Day, senior acct super; Doug Schorres, Mark Plamondon, acct supers, Alpo; William Annesley, acct super, Liv-A-Snaps pet treats; Leslie Bloch, acct exec; Neil Harrison, vp-media dir; Ray Dundas, associate media dir.

DIVERSIFIED PRODUCTS CORP.

Opelika, Ala.

Marketing Personnel

Calvin E. James, president-ceo
Buddy Pilgrim, exec vp
Ira Silberman, senior vp
Ira Pollack, vp-corp mktg & purchasing
James Thompson, vp-mktg & sales
Lanier Johnson, mktg dir
Greg Eveland, group prod mgr

Advertising Agency

Walker & Associates, Memphis—Deloss Walker, president-acct exec; Dick Rogers, asst acct exec.

PEPSI-COLA BOTTLING CO. OF FRESNO

Fresno, Cal.

Marketing Personnel

Ron Dorrell, president-ceo

ATLANTIC SOFT DRINK CO.

Columbia, S.C.

Marketing Personnel

James Moore, president-ceo
Len Rosinkski, vp-mktg
Bob Buys, vp-operations

RANK 86

Greyhound Corp.

Phoenix

($ figures = 000,000)

U.S.	1984	1983	% chg
Sales	2,757	2,628	4.9
Net income	125.0	105.5	18.5
Advertising	80	84	-4.6
Division sales			
Transport. serv.	862	830	3.9
Transport. mfg.	243	282	-13.9
Consumer prods.	465	475	-2.3
Food services	706	619	14.4
Financial	537	444	20.9

Greyhound Corp., Phoenix, Ariz., the 86th largest national advertiser, cut its advertising by 4.6% in 1984, to an estimated $80.2 million, as Greyhound Lines continued to be hounded by poor results.

The bus line's continued plight in 1985 prompted the company to undergo major restructuring, including abolishing 400 management jobs and laying off 1,500 rank-and-file workers involved in the intercity bus business.

During 1984, over-all company sales rose 4.8% to $2.7 billion, and net income went up 18.5% to $125 million. None of the company's 1984 growth, however, was in the scheduled bus service that founded Greyhound. That service is estimated to have dropped to an estimated loss of $3.2 million.

During 1984, the net income for the entire transportation services group, which includes several subsidiaries besides Greyhound Lines, the bus service, rose to $20.5 million, compared with a loss in 1983 of $8.8 million. But 1983 brought a costly 47-day strike against Greyhound Lines, so comparisons are meaningless.

What does have meaning is that, 1983 aside, revenues for the transportation service group have been dropping steadily since 1981.

The company was optimistic at the end of 1983 that a 15% cut in labor costs would make Greyhound Lines profitable. But in 1984, both number of passengers and passenger miles continued to fall.

So, despite improved performance by transportation services during the first half of 1985, Greyhound Corp. has been rolling straight ahead on a strategy that calls for shrinking its bus service while using the cash it generates to move into more profitable areas such as the acquisition in March, 1985, of the consumer products division of Purex Industries for $264 million.

In announcing employe reductions, amounting to 16% of the work force, but 30% of management and supervisory staff, John W. Teets, chairman, said later phases of the plan call for some of Greyhound's 127 terminals to be sold and unprofitable routes to be shut down. The routes were selected, according to the company, because "low passenger traffic has resulted for many years in chronic losses, despite massive infusions of advertising, marketing and promotional dollars." The cutbacks could save Greyhound as much as $45 million a year.

Greyhound apparently has withdrawn from an earlier view that aggressive marketing would bring the bus lines around. In 1983, the marketing department for the bus lines had grown from five to 19 people, and in 1984 the bus company's $21 million ad budget, a 33% increase from the previous year and its biggest ever, focused on a campaign stressing lowered fares and aimed at increasing Greyhound's 66% market share of the intercity bus business. Greyhound has more than three times the market share of its nearest competitor, Trailways Inc., Dallas. But Greyhound cut that campaign short in September in order to reconsider the marketplace.

That process of reconsideration is still going on, according to Ralph Borland, director of marketing for scheduled passenger service. Mr. Borland says a similar amount to 1984's $21 million was budgeted for 1985, but all of it would not be spent because of the cutbacks. He says although 1985's spending would be down "only a couple of percentage points" from 1984, in 1986 he expects advertising for Greyhound Lines to drop "a double digit" percentage. Measured spending for the Greyhound bus lines was $4.1 million in 1984, down 30% from $5.9 million in 1983.

In its advertising, handled by Bozell & Jacobs Southwest, Dallas, Greyhound Lines focused on a safety message and closely targeted the limited groups that remain loyal to buses—students, military personnel and the elderly. It also expanded its base by launching an airport service in conjunction with People Express Airlines in late 1984 and extended its casino, charter and package express services. Greyhound Lines is lowering overhead and raising cash—as much as $200 million over the next two years—by selling or leasing downtown terminals and garages throughout the country and by offering bus line franchises.

Greyhound calls its franchising program, implemented in April, 1985, "the keystone of Greyhound Lines in transition." The company hopes that, by offering franchises on routes it found unprofitable, it can generate cash while cutting expenses and feeding traffic into its system.

Greyhound is part of an industry whose profits have declined from $132.1 million in 1980 to $40 million in 1984, according to figures from the American Bus Assn. Much of the decline is from an infusion of small, low-cost companies. In fact, the number of bus companies has grown from 1,100 to 3,000 in that four-year period.

But the March purchase of the 30 household cleaning products made by Purex Industries emphasizes that Greyhound Corp. does not see its future along a bus route. The purchase makes Armour-Dial Greyhound's largest division, with annual sales of about $1 billion.

Chairman Teets has said he intends to boost advertising for the Purex products, which in addition to Purex bleach, include Brillo soap pads, Sta-Puf fabric softener and Old Dutch cleanser. In the last year before acquisition, Purex spent $5.5 million in measured media, according to Leading National Advertisers.

Analysts expect Greyhound to use a

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"push" marketing strategy for the newly acquired line, promoting the products as bargains, as opposed to the "pull" strategy that has created demand for Dial and Tone because of their quality name brand.

Analysts see the purchase as a good fit. Soap industry analyst Hercules Segalas of Drexel Burnham Lambert in New York says Purex products have suffered from poor distribution and will benefit from Armour-Dial's access to store shelves. Phua Young of Shearson/Lehman Brothers sees very little overlap between Purex and Armour-Dial and adds that so far the purchase has been ahead of schedule in terms of profitability.

Net income for Greyhound's consumer divison rose 20.5% in 1984, to $26.8 million. During the first half of 1985, profit surged by another $6 million, rising 31% year-to-year.

Dial is one of the best-selling brands in the $1 billion, bar-soap industry. Armour-Dial's top two soaps, Dial and Tone, account for a 16% market share; it is estimated that 14% of that belongs to Dial. The company reported that Dial sales rose in 1984. That despite the fact that the entire deodorant soap segment has been declining, with industrywide sales for the most popular size dropping 4.7% in 1984, according to Selling Areas-Marketing Inc.

In LNA measured media, Greyhound spent more than twice as much in 1984 advertising Dial than on any other of its products—$11.9 million, up 6.2% from 1983. LNA measured media spending for all Armour-Dial products in 1984 was $20.2 million, down 10.1%.

After a year of test marketing, in 1984 Armour-Dial rolled out Pure & Natural, a competitor to Ivory, in the eastern 10% of U.S markets. It is test marketing a premium soap, Imperial Leather, in Denver, Colo., and Grand Rapids, Mich.

Armour-Dial also launched a summer promotion this year with $15 million marked for Dial and Tone soaps. Ancillary promotional support, including an inflatable boat, canvas beach chair and nylon windbreaker, is part of the "fun in the sun" theme, with supermarkets carrying the items on display.

The Armour Star canned meat product line introduced three new items in 1984: Hot chili, Hot 'n Spicy Vienna sausage and Hot 'n Spicy potted meat. Distribution was expanded for three products introduced during 1983: A 24-oz. can of Armour Star chili, a 15-oz. can of roast beef hash and sliced beef in vacuum-sealed foil pouches.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers........	4,057	8,926
Magazines.........	6,901	3,637
Network cable......	372	521
Spot tv............	5,046	6,640
Network tv.........	12,102	19,750
Spot radio.........	9,093	8,918
Network radio......	2,058	1,366
Outdoor............	93	290
Total measured..	39,722	50,048
Total unmeasured	40,478	34,036
Estimated total..	80,200	84,084

GREYHOUND CORP.
111 W. Clarendon
Phoenix, Ariz. 85013
(602) 248-4000
GREYHOUND LINES
Marketing personnel

Terry Underwood, vp-passenger mktg
Ralph Borland, dir, scheduled passenger services
E.S. Cross III, dir-franchising
A. Pulk, mgr-intl sales & service
K. Sanders, F. Middleton, J. King, S. Crawley, mkt mgrs

Advertising Agency

Bozell & Jacobs/Southwest, Dallas—Lynne Christopher, group media dir; Sheryl Standifer, assoc media dir; Brian Gardenhire, media super, Rob Boverie, media planner; Kelly Holton, asst media planner. Greyhound passenger lines—Henry Lewczyk, group acct dir; Jim Martin, vp-acct super; Greg Drane, acct super; Andy Day, Linda Edgemon, Sandra Flippo, acct execs.

ARMOUR-DIAL CO.
Marketing Personnel

Edward J. Walsh, president, ceo-Armour-Dial
Allan Marcy, senior mgr-adv, Armour-Dial
Paul J. Lustig, vp-mktg, personal care & food prod
William F. Robertson, vp-mktg, household & laundry prod

Advertising Agencies

Conill Advertising, New York—Hispanic adv, Dial anti-perspirant—Rafael M. Conill, chmn; Alicia M. Conill, president; Bibiana Grau, senior vp.

Foote, Cone & Belding, San Francisco—Tone soap—Robert Imel, group mgmt super; Jon Dale, vp-mgmt super.

Needham, Harper Worldwide, Chicago—Dial soap—Gene Yovetich, senior vp-mgmt rep; Victoria Mondae, vp-acct super.

Ogilvy & Mather, Chicago—Dial anti-perspirant—Wim Slootweg, senior vp-genl mgr; Jack Giroux, vp-acct super.

Ramey Communications, Los Angeles—Purex—Cheri Ramey, president, creative dir; Adrienne Lowe, exec vp; Thomas Heinz, exec vp, vp-acct client service dir

GTE Corp.

RANK 82

Stamford, Conn.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	14,547	12,944	12.4
Net income	1,125	996	17.7
U.S.			
Sales	13,422	N/A	N/A
Operating profits	N/A	N/A	N/A
Advertising	90	70	27.6
Division sales			
Telephone operat.	9,065	8,369	8.3
Commun. serv.	1,245	578	[illegible]4
Diversified commun.	2,495	2,551	-2.2
Diversified electr.	1,853	1,480	25.2

GTE Corp., Stamford, Conn., the 82th largest national advertiser, increased U.S. ad spending 27.6% in 1984 to an estimated $89.8 million, as earnings reached $1.1 billion, up 17.7%, on revenues of $14.5 billion, an increase of 12.4%.

For the first quarter of 1985, revenues continued moving upward, at a 6% clip to $3.7 billion, and net income was $273 million, compared with $267 million in the similar period in 1984, a figure excluding a one-time credit of $45 million because of an accounting policy change.

GTE's lead revenue generating group, telephone operating group, logged revenues during the year of $9.1 billion, up 8.3%, with a 14% increase in operating income to $2.6 billion. This includes telephone companies, directories and Mobilnet, a cellular mobile telephone service.

The diversified products group, consisting of communications and electrical products segments, had a 2.2% sales drop to $2.5 billion, while operating income sank 83% to $24 million. Overcapacity and excessive inventories in the retail telephone market, combined with lower prices and sales, caused much of the problem.

Revenues of the communications services group rose to $1.2 billion from $578 million, although operating income dropped 18% to $82 million. This group consists of GTE Sprint Communications, the long-distance service; Spacenet satellite communications, and Telenet data communications network with Telemail and medical and financial information services. The group saw the most action in 1984 in terms of new activity and ad spending. MED/MAIL, a mail service for medical device problems, debuted in April. The group expanded its GTE TeleMessager voice messenger service, after a 1983 Dallas introduction, to other leading markets, and inserts in leading national newspapers announced the introduction of new service centers.

Major advertising outlays supported GTE Sprint Communications, Burlingame, Cal., and GTE corporate advertising. Measured spending on Sprint increased 7% to $22 million, according to six media measurements of Leading National Advertisers.

Yet, the company pulled back on 1984 advertising through September, according to Ralph Sherman, Sprint's director of advertising. Spending for the year was 30% to 40% below initial plans, although this paralleled Sprint's income.

"There's not a lot to gain in advertising when there's no product to deliver," Mr. Sherman says. Spending picked up last fall as capacity emerged, accelerating in April and May, 1985.

Sprint ran a consistent schedule in the *Wall Street Journal* and business publications to reach business users, while the sell to residences consisted of tv and direct mail. Mr. Sherman says direct mail worked well with ad messages reaching target households where "equal access" had arrived. This is done in "very finite" geographic areas defined by telephone prefixes, ranging from hundreds to hundreds of thousands of households. Sprint lobbied for equal access to new customers, because AT&T was automatically assigned customers who did not state a preference for a long-distance carrier. The FCC in June, 1985, approved a non-biased method of assigning carriers to such non-preference parties.

Tv marketing retained the "straight talk" theme used since late 1983. The over-all strategy was to stress value and price. That approach evolved over two years as Sprint has added features such as WATS service and "The Billing Solution" for businesses.

Sprint also explored alternatives to advertising as a means of message distribution. The fall boxes of Nabisco Brands' Shredded Wheat cereal carried coupons worth $5 in calls for new and current customers. In July, business audiences read about the "Sprint to the Series" Sweepstakes, with 10 World Series tickets as the grand prize. Through August the promotion attracted 13,000 inquiries.

Mr. Sherman places 1985 advertising and marketing spending at $60 million for Sprint, which by year's end hopes to have 1.5 million customers. Neil Yelsey, telecommunications analyst for Salomon Brothers, gave Sprint a 2% share of the $45 billion domestic long-distance market. AT&T leads with 90%, followed by MCI with about 4.5%.

GTE corporate advertising measured spending rose almost 50%, to $15 million, according to Leading National Advertisers. Almost $8 million went into network tv. The approach continues the "Gee! (No GTE!)" campaign with shifts to a more pragmatic message, according to Philip C. Stevens, corporate ad manager. Three or four applications-oriented ads will appear in October, highlighting activities of various GTE units.

In advertising for specific product areas, Phone Mart stores, Sylvania light bulbs, Mobilnet and Telenet are getting substantial support, says Dennis P. Crosley, group senior vp at Doyle Dane Bernbach. Measured advertising in Phone Mart stores doubled to $2.5 million. They operate in regions where GTE provides local telephone service, such as Tampa-St. Petersburg, Fla. In some regions the stores also are selling business products and services.

On election night, 1984, GTE launched a tv campaign for Sylvania light bulbs with a $4 million to $5 million campaign. A four-spot campaign beginning in April introduced spokesbeing "Mr. Light," a million-dollar animated creation, for soft white light bulbs. It introduces product differentiation, such as longer life and energy savings, to a commodity-type product category, Mr. Crosley says. The approach will continue this fall in network and spot tv, with some print. Measured spending on Sylvania home light bulbs rose 27%, to $3.7 million. Almost all of that went into network and spot tv.

In March, GTE introduced a Sylvania Blue Dot disc camera, in its new Consumer Communications Products Division. With a list price of $19.95, the disc camera aims to create a niche for low-priced cameras. A campaign will start this fall.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers........	11,631	12,414
Magazines.........	8,017	6,744
Network cable.....	168	198
Spot tv............	28,003	32,443
Network tv.........	16,677	6,082
Spot radio.........	4,377	2,458
Outdoor...........	185	39
Total measured..	69,058	60,378
Total unmeasured	20,717	10,000
Estimated total..	89,775	70,378

GTE CORP.
One Stamford Forum
Stamford, Conn. 06904
(203) 965-2000
Marketing Personnel

Theodore F. Brophy, chmn-ceo
Allan N. Stewart, vp-mktg
William R. Dixon, vp-mktg services
Edward C. MacEwen, vp-corp communications
Philip C. Stevens, dir-corp adv & mktg communications

GTE Telephone Operating Group

James L. Johnson, president-ceo
Henry W. Donaldson, vp-mktg & business planning

'Gee, GTE'

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Richard L. Sharman, vp-mktg, GTE Mobilnet

GTE Communications Services Group

Marketing Personnel

James L. Broadhead, president-coo
David M. Holland, vp-mktg, GTE Sprint
Gabriel Battista, vp-U.S. sales & field mktg, GTE Telenet
Jon E. Porter, mktg mgr, GTE TeleMessenger

GTE Diversified Products Group

Marketing Personnel

Allan L. Rayfield, president-coo
B.P. Adams, vp-mktg operations, GTE communication systems mktg div
James M. Locker, dir-mktg, consumer communications prod div
Walter R. Edgington, vp-mktg, GTE govt systems
Donald M. Canfield, vp-mktg, U.S. lighting div
Joseph W. Parks, vp-mktg, GTE precision materials

Advertising Agencies

Doyle Dane Bernbach, New York—all adv except GTE Sprint—Lawrence J. Iannuzzelli, exec vp; Denis P. Crosley, senior vp-mgmt super; Joseph McParland, vp-mgmt super, telephone operations; Joseph F. Belle Isle, vp-acct super, corp; Nancy Brett, vp-acct super, diversified prod & services.

J. Walter Thompson USA, San Francisco—GTE Sprint—Jeff Smith, acct dir; Steve Sanchez, mgmt super; Sherry Carniglia, acct super.

Gulf & Western Industries

New York

RANK 50

($ figures — 000,000)

Worldwide	1984	1983	% chg
Sales	4,182	3,691	13.3
Net income	263	243	8.5
U.S.			
Sales	4,867	4,299	13.2
Operating profits	390	235	66.2
Advertising	149	146	2.3
Division sales			
Business segments	2,690	2,414	11.4
Entertainment	1,492	1,276	16.9
Financial services	1,174	1,073	9.4

Gulf & Western Industries, New York, the nation's 50th leading advertiser, spent an estimated $149.2 million in advertising in 1984, an increase of 2.3% from 1983 as it took steps to focus on entertainment, publishing and financial services businesses.

Of the advertising total, G&W spent $59.2 million in nine measured media in the U.S., up 1.5% over 1983.

And of the measured total, 50% was in its divisions divested in June, 1985. The group includes clothing licensed under the Calvin Klein, Liz Claiborne and Jonathan Logan labels, as well as Simmons mattresses, automotive parts distribution and manufacturing.

G&W, which announced in 1984 that it was launching a program of targeted divestiture and acquisition to become a "stronger, leaner, more profitable, more growth-oriented" company, sold $900 million in stock held in other companies and 46 G&W-owned businesses.

Then in 1985, it continued the divestiture policy by disposing of its sugar operations and related holdings in Florida and the Dominican Republic before unloading its entire consumer and industrial products group in June to Wickes Cos. for $1 billion in cash and the assumption of $90 million in long-term debt. The businesses sold to Wickes accounted for more than half of G&W's measured media advertising buy last year of $58.8 million.

At the same time, with G&W's acquisition of Esquire Inc. and, last December, of Prentice-Hall Inc., Gulf & Western has consolidated and strengthened its publishing holdings to become a factor in every important segment of the book publishing business.

The takeover of Prentice-Hall, at a cost of about $700 million, represented the largest acquisition in G&W history.

The takeover is all part of a restructuring plan devised two years ago by chairman-ceo Martin S. Davis to focus on G&W's profitable core group in entertainment, publishing and financial services.

The sale of the Gulf & Western's consumer and industrial products group "substantially completes" the restructuring plan, Mr. Davis said this June.

Net sales in fiscal year 1984 (the company is on an Aug. 1 to July 31 fiscal year) were $4.18 billion for continuing operations, up 13.3% for the equivalent sectors in 1983. Earnings for continuing operations were $263.3 million, up 8.5% from the period a year earlier.

The entertainment and communications group grossed $1.49 billion, the major part of that—$1.01 billion—from Paramount Pictures Corp. The motion picture and tv production and distribution company also consumed the greatest portion of G&W's advertising expenditures in 1984—$20.6 million, up from $19.2 million in 1983.

Paramount had its most successful year at the box office in fiscal 1984, led by the summer blockbusters "Indiana Jones and the Temple of Doom" (spending: $2.3 million) and "Star Trek III: The Search for Spock," ($2.1 million) which were followed during the Christmas holiday by "Beverly Hills Cop" ($1.6 million). The latter became the highest grosser ever among nonsummer releases.

Those feature films have been followed this year by the high-grossing "Witness," a detective story starring Harrison Ford.

During June and July, 1984, the peak summer months, Paramount had booked 5,000 screens, 25% of the nation's total, to show the "Indiana Jones" and "Star Trek" movies.

Last January, *Variety* listed Paramount as the leading film distributor in the U.S. and Canada, ahead of Warner Bros. and Columbia Pictures.

Paramount Home Video continued to have great success in the videocassette field.

The company has accounted for seven of the ten all-time best-selling cassettes, including "Raiders of the Lost Ark," which became the first million-seller ever.

Paramount's tv group won five Emmy awards in 1984; four for the comedy show "Cheers" and one for "Solid Gold," the highest-rated weekly syndicated tv show, now seen on 204 stations, covering 97% of the U.S. Paramount also has spun off the "Solid Gold Five-Day Workout" videocassette. The company boasts a record for the "America" daily tv magazine show, which begins airing this month, saying it's the first syndicated tv show to achieve full placement in all major markets.

The big corporate news at Paramount was the departure of chairman Barry Diller, who in September, 1984, moved to the top spot at 20th Century-Fox Film Corp. after a 10-year reign at the G&W affiliate. He reportedly had some policy differences with Mr. Davis, who wanted Paramount to emphasize distribution over capital-intensive production. Mr. Diller has been replaced by Frank Mancuso, formerly the company's president of distribution and marketing.

Under Mr. Diller, Paramount had become a major money maker, exploiting the music video potential of "Flashdance" and devising new strategies for marketing home video and tv syndication, as well as turning out a series of high-grossing and critically acclaimed feature movies.

Simon & Schuster had its fourth straight record-breaking year, commemorating its 60th anniversary by generating operating income of $31.6 million, a rise of 89.2%, and sales of $285.7 million, up 35%. It doubled its size through the expansion of Esquire Inc., a leader in educational publishing.

Measured media spending at Simon & Schuster was up slightly, to $404,200 from $320,700 in 1983. The company had a memorable summer in 1984, at one point placing 11 books on the *New York Times* best-seller list, including "Wired" and "The Kennedys."

The company is researching and developing a magazine spinoff from Paramount's syndicated tv series "Entertainment Tonight," along with Paramount's partners in the show, Cox Broadcasting, Taft Television Productions and Tele-Rep.

First issue of the new magazine, which is in keeping with Mr. Davis' strategy to expand communications and leisure-time ventures, is imminent, a spokesman says.

Prentice-Hall, which spent $94,800 in measured advertising during fiscal 1984, moved G&W into the college textbook, business information and training and professional information services, all growth markets.

G&W last year reorganized its publishing group into six operating units, each with its own president reporting to S&S chairman Richard E. Snyder.

The company's financial services sector, whose cornerstone is Associates Financial Services Co., continued expanding into new markets. The financial services institution now operates 515 branches in 40 states under the title of Associates Financial Services Co. The sector accounted for $179.2 million in operating income on revenues of $1.17 billion, a 27% increase over 1983.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	3,788	2,365
Magazines	5,302	6,027
Network cable	1,076	432
Spot tv	22,119	20,897
Network tv	24,773	23,346
Spot radio	308	3,683
Network radio	1,810	1,266
Outdoor	73	262
Total measured	59,249	58,278
Total unmeasured	90,000	87,655
Estimated total	149,249	145,932

GULF & WESTERN INDUSTRIES
1 Gulf & Western Plaza
New York, N.Y. 10023
(212) 333-7000

Corporate Personnel

Jerry Sherman, vp-corp communications

ENTERTAINMENT & COMMUNICATIONS GROUP

PARAMOUNT PICTURES CORP.

Corporate Personnel

Jon J. Gould, vp-corp communications

Motion Pictures Group

Marketing Personnel

Buffy Shutt, exec vp-mktg
Thomas Campanella, senior vp-natl adv
Shelly Hochron, senior vp-creative services
Kathy Jones, senior vp-publicity & promo

Television Group

Marketing Personnel

Michael Tanner, vp-adv & promo services
Hollace Brown, vp-adv & sales promo
Robert Gutkowski, vp-adv program sales

Advertising Agency

Diener/Hauser/Bates, New York—Ernie Shapiro, acct vp; Gilda Hicks, acct super; Norman Trell, exec vp-media; Cheryl Lodinger, vp-media.

MADISON SQUARE GARDEN CORP.

Corporate Personnel

James Trecker, dir-corp communications

Advertising Agencies

Ash-LeDonne-Fisher, New York—Sidney Chabus, acct super.

MSG Advertising (in-house).

PUBLISHING & INFORMATION RESOURCES GROUP

Marketing Personnel

Strome Lamon, vp-adv dir, trade book div
Pat Cool, vp-adv dir, Pocket Books
John Schneider, adv mgr, Simon & Schuster General Reference Group

Advertising Agencies

Jameson Advertising, New York—Pocket Books—Susan Ball, vp-acct super; Elissa Cohen, acct exec.

Franklin Spier, New York—trade book div—Lee Simmons, chmn of the board; Kathleen Kelly, asst acct exec.

Sussman & Sugar, New York—general reference—Lisa Gyllenhall, acct exec; Shelley Himmelstein, asst acct exec.

FINANICAL SERVICES GROUP

Associates Corp. of North America

Marketing Personnel

Frederick H. Stern, vp-corp communications

Associates Consumer Financial Services

Marketing Personnel

James F. Metevier, senior vp-corp consumer mktg
Michael J. Carney, senior vp-consumer mktg

Associates Commercial Corp.

Marketing Personnel

Clifton B. Noble, vp-corp mktg services
David F. Edwards, senior vp-transportation mktg
David F. Herrick, senior vp-business loans & factoring mktg
Robert C. Miramonti, senior vp-equipment mktg
Jon Roman, vp-communications mktg
Stephen J. Larkin, vp-fleet leasing mktg
Lee J. Crittenden, vp-corp communications

Advertising Agency

Grant/Jacoby Inc., Chicago—Thomas W. McGavin, senior vp.

A careful retraction

Last Christmas, the Mental Health Assn. of Indiana complained bitterly when Hasbro marketed its Zartan enemy doll as a "paranoid schizophrenic who grows into various personalities." Hasbro changed Zartan's label, apologized and made a donation to mental health research.

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PIB/LNA

U.S.NEWS

Hasbro Inc.

Pawtucket, R.I.

RANK 85

($ figures = 000,000)

	1985	1984	% chg
Worldwide			
Sales	719	224	220.9
Net income	52	15	244.0
U.S.			
Sales	561	194	188.5
Operating profits	101	25	308.9
Advertising	84	57	47.8

Hasbro Inc., Pawtucket, R.I., vaulted into a virtual tie with Mattel as the nation's largest toy marketer following its 1984 acquisition of Milton Bradley Co., Springfield, Mass. A corresponding leap in ad spending made Hasbro the 85th largest national advertiser in 1984.

Hasbro increased total advertising to an estimated $83.7 million in 1984, compared with $56.6 million in 1983—the latter figure a combination of Hasbro and Milton Bradley in 1983.*

Dramatic increases in spending, primarily for spot and network tv, reflect the growing strength of the company's toy lines and the acquisition of Milton Bradley begun June, 1984, with the purchase of 51% of stock, and completed in September, 1984, with payment of $180 million cash for the remainder.

Hasbro's reports its own ad spending in 1984 of $71 million for both Hasbro and a merged Milton Bradley, which is an increase of 132% over expenditures of $30.6 million reported by Hasbro separately in 1983.

The company says its tv spending is below that reported by Broadcast Advertisers Reports (supplied to Leading National Advertisers) because the company's tv time is calculated at rate card rates by those monitoring its advertising, but the time is actually bartered (obviously at a discount). Hasbro advertises often on its own syndicated programs such as its weekly "TransFormers," and on its two shows appearing periodically, "My Little Pony" and "G.I. Joe," and is paid in tv time.

The merger of Milton Bradley, including its Playskool subsidiary, into a wholly owned subsidiary doubled Hasbro's revenue base. Net revenues for 1984 were $718.9 million (including a contribution of $205 million in Milton Bradley net revenues from July 1, 1984) with earnings of $52.4 million. That compares with Hasbro Industries' 1983 net revenues of $223.9 million and earnings of $15.2 million.

Hasbro's revenues for the first six months of 1985 were $537.4 million, up from $191.9 million for the same period in 1984. (If including Milton Bradley revenues of $121.2 million in the first half of 1983, the comparable period would have been $313.1 million.).

Net earnings for the first six months of 1985 more than doubled to $41.6 million from $18.5 million over the similar period in 1984. (Again, including Milton Bradley's net income of a loss of $4.3 million, combined net earnings for the prior year would have been $14.2 million.).

Hasbro's net revenues in 1985 are expected to top $1.1 billion, with earnings of about $90 million, a projected 25% improvement over 1984, analysts say.

With the addition of Milton Bradley's strengths in games, puzzles and children's educational toys, the merger reduced Hasbro's single product risk, says John Campbell, U.S. equity analyst with Pemberton Houston Willoughby in Vancouver, B.C.

For example, TransFormers, transformable robots and vehicles introduced in May, 1984, accounted for about 30% of Hasbro's net revenues in 1984, but the percentage drops to about 13% as a result of the merger, Mr. Campbell says. Milton Bradley's Playskool subsidiary, which accounts for about $120 million in annual sales, also gives Hasbro a base in educational toys, putting it in competition with the Fisher Price subsidiary of Quaker Oats and Mattel, the category leaders. This is a difficult market to crack, Mr. Campbell says, but Playskool should do well with Hasbro's more aggressive style. The addition of Playskool also will create synergies with Hasbro's expanding array of soft toys for infants and toddlers, he says.

In addition, Milton Bradley's far-flung manufacturing and distribution also give Hasbro instant access to international markets, particularly Europe, where Hasbro has had little presence. TransFormers, for example, are being introduced in the U.K. in 1985, Mr. Campbell says.

Analysts are predicting a long-term growth rate for Hasbro of 15% to 20% a year. Slow growth in 1985 in the market for children's educational toys and in board games, following the phenomenal success in 1984 of competitors such as Trivial Pursuit, means the addition of Milton Bradley may not produce a positive effect on earnings immediately.

Analysts are optimistic about 1985 earnings, however, because of the great success of the Hasbro Toys division, which by far represents the largest portion of Hasbro's sales and advertising. Led by TransFormers, G.I. Joe and My Little Pony, the category received $13.5 million in ad spending in 1984—63% spot tv and 37% network, according to Leading National Advertisers. Spending in 1984 was 60.4% more than 1983 expenditures, which were divided 76% spot tv, 21% network tv and 3% magazine.

One of the largest advertising shifts was for TransFormers, the No. 1 boys' toy of 1984. TransFormers accounted for $105 million in sales in 1984, more than triple original estimates. In 1985, the line is expected to bring in $200 million. Equally important, however, is the long-standing G.I. Joe line of products, which accounts for an equal level of sales (about 13%) and a similar level of advertising.

In 1985, Hasbro is introducing an extensive line of new and reformulated products to reach additional niches in the toy, games and crafts markets. Topping the list is a co-venture with Walt Disney Productions called Wuzzles. These six plush fantasy characters from the "Land of Wuz" combine elements of two animals. For example, a Hoppopotamus is part bunny and part hippo.

Advance licensing of Wuzzles has exceeded that of any new character ever, the companies say. Hasbro licenses in the U.S. and Disney licenses internationally. A multi-million-dollar print and tv kickoff began in May, 1985.

New products in the girls' toy line include: Get in Shape Girl!, a line of workout equipment and accessories promoted by Mary Lou Retton; Real Baby, a soft vinyl re-creation of master doll maker Judith Turner's porcelain collectibles, and extensions of the My Little Pony line of vinyl collectibles and plush toys.

For infants and preschoolers, the company is introducing several products scheduled for extensive tv and print advertising around "spokesmom" Joan Lunden, co-host of ABC's "Good Morning America." Ms. Lunden also hosts "Mothers' Minutes," a daily series of one-minute public service programs on child rearing that are fully sponsored by Hasbro Preschool and Playskool divisions.

Most unusual of the preschool products is a rough-and-tumble doll called My Buddy, targeted at boys. Also new is the Muppet Babies Talking Phone, rounding out a group of phone products that includes characters such as Mickey Mouse and Big Family, introducing Baby Potato Head; Musical GloWorm, which has a touch-sensitive computer chip, and additions to the Hasbro Softies and Activity Toys lines.

The lead item in Playskool's 1985 line is Casey, a sing-along, read-along cassette player supported by a multi-million-dollar print and tv campaign beginning in August. Casey's eyes and mouth appear on an electronic screen and make about 64 facial expressions corresponding to sounds from cassette recordings. Casey comes with book and tape sets of stories and educational materials. The product is an attempt to establish Playskool in the audiovisual toy category, which has seen 60% growth over the past two years, analysts say.

Milton Bradley is pursuing an aggressive strategy on its 125th anniversary in 1985. This follows spending last year of about $2.6 million, most of which was for spot tv promoting game products. Tapping the market for trivia games, the division is introducing Stage II, with a tv and print campaign featuring Gene Shalit, NBC's "Today" show movie critic. Mr. Shalit's message is: "Once you've played Trivial Pursuit, you're ready for Stage II."

The division also is introducing a variety of board games this year, including Rodney Dangerfield's No Respect, a strategy game, and Scotland Yard. Other new products include word games, action/adventure and other games, many of which relate to licensed characters, such as the Wuzzles, and are targeted at children and adults.

Hasbro has undergone some corporate restructuring in consolidation. Milton Bradley remains relatively autonomous in its domestic and international operations, while its former Playskool subsidiary has been folded into operations at Hasbro. Playskool headquarters were relocated early in 1985 from Chicago to Hasbro's Pawtucket, R.I., headquarters.

Production facilities in 1985 are being relocated to Milton Bradley's East Longmeadow, Mass., facility. The goal is to consolidate Playskool and Hasbro's marketing and research and development staffs.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	2,567	948
Network cable	951	1,181
Spot tv	42,953	32,474
Network tv	27,221	14,031
Total measured	73,691	48,634
Total unmeasured	10,000	8,000
Estimated total	83,691	56,634

HASBRO INC.
1011 Newport Ave.
Pawtucket, R.I. 02861
(401) 727-5000

Marketing Personnel

Stephen A. Schwartz, senior vp-mktg
Alfred C. Carosi Jr., vp-mktg services
Robert Prupis, associate vp-boys' toys
Maurene Souza, associate vp-girls' toys
Sharon Hartley, senior mktg dir-preschool
Robert Stebene, vp-infants prod
Neil Friedman, vp-Hasbro's Softies

MILTON BRADLEY DIVISION

Marketing Personnel

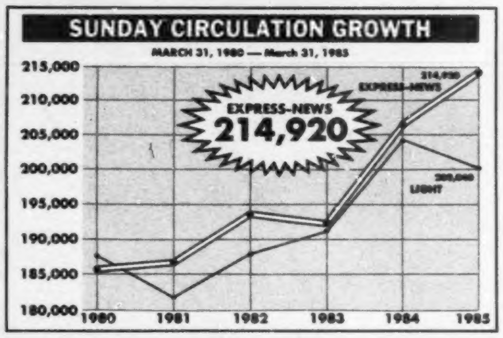
Jake O'Donnell, president
Lawrence I. Bernstein, senior vp-mktg
David Wilson, senior vp-sales

Advertising Agencies

BBDO-Direct, New York—all direct mktg—George Orme, exec vp-client services; Patrick Marrinan, acct mgr.

Griffin Bacal, New York—all toy & game prod—Tom Griffin, president; Joe Bacal, exec vp-dir creative services; Paul Kurnit, exec vp-client services; Leonard Leokum, senior vp-creative dir; Art Heller, exec vp-dir media services; Michele Litzky, vp-dir, pr. Playskool/Playskool Baby/Hasbro Softies—Bob Marden, vp-mgmt super, Playskool, Playskool Baby, Hasbro Softies; Susan Evans, acct super, Playskool; Helen Hedges, acct super, Playskool Baby, Aviva; Jonathan Breiter, acct super, Playskool Baby. Boys Toys—Gary Wald, vp-mgmt super, boys' toys; Jannette Cooper, acct super, TransFormers; David Biebelberg, acct super, G.I. Joe, SST, Robotix. Milton Bradley—Jeff Zwetchkenbaum, vp-mgmt super, Milton Bradley girls' toys; Loraine Miller, acct super, Milton Bradley.

New ABC Audit Shows Express-News Strengthens Its Lead, Grows Faster Than San Antonio And South Texas...



Latest Audit Bureau of Circulations figures for the period ending March 31, 1985 (and released Aug. 3) show the Sunday Express-News continues to exceed the population growth rate of San Antonio and South Texas while the Sunday San Antonio Light is losing circulation.

The fully audited figures show the Express-News leading the Light by 14,880 on Sunday and by 32,549 daily.

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SOURCES: ABC Newspapers Publisher's Statements, 6 months ending 3/31/80-3/31/85. Newspaper Publisher's Statements for 3/31/83 & 3/31/85 Special 6 month Statements audited by ABC Calculations computed by Express-News Research Dept.

AUDIT BUREAU OF CIRCULATIONS

The March 31, 1985 Audit shows these daily figures:

EXPRESS-NEWS	LIGHT
166,943	134,394

Express-News leads the daily Light by 32,549.

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See page 101

H.J. Heinz Co.

Pittsburgh

RANK 34

($ figures = 000,000)

	1985	1984	% chg
Worldwide			
Sales	4,040	3,954	2.2
Net income	266	238	12.0
U.S.			
Sales	N/A	2,555	N/A
Operating profits	491	291	8.2
Advertising	227	220	3.1

H.J. Heinz Co., Pittsburgh, the nation's 34th largest advertiser, spent an estimated $227.3 million in U.S. national advertising in 1984, a 3.1% increase over the previous year.

The company's marketing budget increased 9% in fiscal 1985 to $303 million, and is slated to rise about 10% in fiscal 1986.

Sales for the 1985 fiscal year, which ended May 1, 1985, were $4.04 billion, a 2.2% increase from the 1984 fiscal year. Net income rose nearly 12% to $265.9 million. Operating income rose 8.2% to $491.4 million. Sales for the year were reduced by about $200 million because of foreign-currency exchanges.

Anthony J.F. O'Reilly, president-ceo, called the year "satisfactory, given the strength of the U.S. dollar, which adversely affected translation of foreign operations." Fourth-quarter sales for the year were $1 billion, down 3.5% from the previous year because of lower foreign exchange rates and an extra week in the 1984 fiscal period, the company says.

Measured advertising for calendar year 1984 was $90 million, an 18.2% increase over the nine-media measurement in 1983. Heinz ketchup received the most measured ad support, with $17 million in network and spot tv, up 5.6% from 1983, according to six-media figures monitored by Leading National Advertisers.

Weight Watchers frozen meals received $10.6 million in ad support, up 79.7% from 1983, and 9-Lives canned cat food with $8.8 million spent in network and spot tv advertising, was up 20.5% from 1983, according to LNA.

Heinz ketchup, for which the company is best known, continued to gain market share in fiscal 1985, holding a 51% share in case sales and 58% in dollar share for the 52 weeks ended June 21, 1985. Heinz's introduction of ketchup in a 28-oz. squeezable plastic bottle in 1983 fostered the line extension of ketchup in a 64-oz. plastic bottle in 1984. The larger unit is being tested in more than 50% of the country and is scheduled for national distribution, although the company won't say when.

Heinz also introduced Pouch Pak ketchup in metalized bags in 1985 as a replacement for 10-lb. cans used in the foodservice industry.

Ad spending for Heinz vinegars rose substantially, to $3.4 million in 1984 from $256,000 in 1983, virtually all in network and spot tv, according to LNA. While Heinz five specialty vinegars had been the focus of the previous year's advertising to support redesigned packaging, Heinz white and cider vinegars received attention in 1984. New uses were pushed.

In the spring of 1984, Heinz built on a print campaign with tv advertising urging consumers to use Heinz white vinegar to clean automatic drip coffee makers. Sales of Heinz white and cider vinegars rose 30.1% in three test cities as a result of test advertising, the company says. Heinz also launched a network tv campaign for the white and cider vinegars with the theme "The natural vinegar for 100 years."

The company introduced Heinz picante sauce in 1984. Supported with $100,400 in advertising, all magazine, the 12-oz. jars of sauce in mild, medium and hot varieties were promoted as containing "fresh chunks of jalapeno, onions, tomato with just the right kick."

A reformulated Heinz 57 sauce received $5.03 million in network and spot tv advertising, using as spokesman, actor Vic Tayback who plays Mel on CBS' "Alice." Mr. Tayback also promoted the sauce as "all-purpose" on an extended media tour.

Hoping to boost its 13% share in the $650 million baby-food market, Heinz introduced a line of dried-instant baby foods. Prepared by adding water, Heinz instant baby food initially was available in 23 varieties.

Rolled out in September, 1984, in test markets in the Southeast, Southwest and West, the product was expanded to national distribution in February, 1985. Ad spending for the new product line through the end of 1984 was $966,500, some 94% of that in spot tv, according to LNA.

Heinz has added four new varieties to its instant baby food line, which will reach western markets first, with national distribution slated for January, 1986. The company says its share in the wet and instant baby food market has risen to 17% as a result of the 1984 dried-instant line introduction.

Heinz barbecue sauce was reformulated and given the name of Heinz Thick and Rich barbecue sauce. Available in six varieties, it was rolled into national markets in the spring of 1985.

The company has repositioned its Alba hot cocoa mix as a high-calcium drink to reflect a growing interest among women for high-calcium products. New packaging displays the product as Alba high calcium sugar free hot cocoa mix. The Alba line got $3 million in ad spending in 1984, up 67% from the previous year.

In food for four-legged creatures, Heinz subsidiary Star-Kist Foods, Terminal Island, Cal., retained finicky Morris the cat for promotions for two new cat food lines under the 9-Lives brand—9-Lives Tender Meals semimoist cat food and 9-Lives Crunch Meals dry food products. The company is targeting the semimoist and dry cat food market segments for strong growth opportunities; it already has garnered the top spot in the canned cat food market segment, according to Stephen Carnes, food industry aalyst with Piper Jaffray & Hopwood Inc., Minneapolis, Minn.

In a $20 million campaign, the largest ever for Star-Kist Foods, Morris the cat was featured in commercials with the message: "Now there is a dry cat food and a soft moist good enough for Morris." Ad spending for 9-Lives canned cat food rose 21.2% in 1984 to $8.8 million, divided almost equally between network and spot tv.

Ad spending for Meaty Bone dog biscuits rose to $3.5 million in 1984 from $1.4 million in 1983, and advertising focus shifted to network tv from spot tv. The product reached national distribution in May, 1984.

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Continuing to slice up the frozen potato market, Heinz subsidiary Ore-Ida Foods in Boise, Ida., introduced a low-calorie line of fried potatoes called Lites. Lites french fries have 100 calories per serving as compared with 160 calories in other potato cuts and were introduced in test market in July, 1984, with a national rollout in the summer of 1985.

Ore-Ida also expanded its Cheddar Browns frozen hash brown and cheese potatoes from test markets to national distribution in October, 1984. Ore-Ida bolstered its ad spending for its line of Ore-Ida Tater Tots to $1.4 million in network and spot tv from $124,900 in 1983, mostly in newspaper supplements. The new low-calorie line was supported with $466,200 in spot tv advertising in 1984, according to LNA.

Ore-Ida spent $8.8 million on its entire line in 1984 with Golden Fries and French Fries getting the big dollars, up 39.7% from 1983. Ore-Ida continued to use the theme, "You can't go wrong with Ore-Ida," to support its existing products, with a combination of 30-second and split 30-second spots.

In a move to concentrate resources elsewhere, Ore-Ida sold its La Pizzeria frozen pizza and Mrs. Goodcookie frozen cookie lines to United Products, Sarasota, Fla. The company would not disclose the amount of the August, 1984, sale. Under terms of the sale, Ore-Ida will continue to produce La Pizzeria pizzas for three years at its Ohio plant, and Mrs. Goodcookie will be produced by United Products, which distributes Dutchies brand frozen pretzels and Butter Gems frozen rolls.

Weight Watchers International, Manhasset, N.Y., in the six media measured by LNA, increased its ad expenditure in 1984 by 22.9% to $21.5 million, with frozen meals getting about half of that.

Spending was increased 78% for the Weight Watchers diet program to $5.4 million.

Weight Watchers entered test markets with a line of turkey-based, low-calorie luncheon meats.

The meats, which have fewer than 100 calories per serving, include franks, sausage, ham, salami, pastrami and turkey breasts.

The Weight Watchers bread line was expanded to include cinnamon-raisin and honey multigrain breads, joining light rye, white and cracked wheat breads.

Heinz shifted its Weight Watchers ice cream, bread, fruit snacks and new products to MCA Advertising from Doyle Dane Bernbach in July, 1984. DDB continued as the agency for the Weight Watchers frozen meals and other Weight Watchers products sold through Heinz subsidiaries Foodways National and Ore-Ida Foods.

Weight Watchers products that received new ad spending in 1984 included Weight Watchers margarine, mayonnaise, meat products, non-fat yogurt in four varieties and spaghetti sauce in three varieties. Most of the spending was concentrated in magazines.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	2,130	2,750
Magazines	6,134	6,869
Network cable	1,040	721
Spot tv	28,051	17,636
Network tv	52,687	47,864
Spot radio	0	261
Outdoor	6	63
Total measured	90,048	6,163
Total unmeasured	137,238	144,316
Estimated total	227,286	220,479

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Marketing Personal

Consumer Products Division

William R. Johnson, vp
Mike Milone, group prod mgr-ketchup & 57 sauce
S.W. Scott, genl mgr-new prod & condiment mktg
M. Vincent, group prod mgr-nutrition prod
J.P. Berger, genl mgr-foodservice & export mktg
J.A. Gordon, senior mgr-adv, promo & design

Package Goods Division

W. Springer, vp
J. Crawshaw, genl business mgr-soups, beans, wet baby food
S. Schickler, business unit mgr-pickles, relish, foodservice vinegar
D. Pellegrino, business unit mgr-soups & entrees
S. Pease, business unit mgr-grocery vinegar & sauces
B. Stein, genl mgr-pickles, vinegar & sauces

Sales Division

W.V. Costello, vp
Jon Peterson, genl mgr-grocery sales
T.R. Jonell, genl mgr-foodservice

Advertising Agencies

Adelante, Inc., New York—ketchup/Hispanic-H. Fried, vp.

Leo Burnett USA, Chicago—ketchup, pickles, relishes, gravy, wet & instant baby food—T. Ross, exec vp; J. Herscovitz, vp-acct dir.

Food Group, New York—foodservice prod—D. Axleroad, president

Ketchum Advertising, Pittsburgh—57 & barbecue sauces, vinegar, Alba prods—J. McBride, senior vp-client services, L. Werner, exec vp, pr.

STAR-KIST FOODS
Terminal Island, Cal.

Marketing Personnel

W.H. Gassett, vp-mktg, pet foods
T.W. Sanford, mgr-mktg services
A. Ayotte, vp-sales
J.T. O'Meara, genl mgr-seafood mktg
P.L. Bowen, mgr-cat food mktg
E.S. Moersch, mgr-dog food mktg
R. Worsham, genl mgr-sales devel
R. Roberts, field sales mgr

Advertising Agency

Leo Burnett USA, Chicago—Star-Kist tuna, 9-Lives cat food, Amore cat food, Jerky Treats dog treats, Meaty Bone dog snacks—C. Mills, senior vp-acct dir; B. Krause, H. Kogan, acct supers.

ORE-IDA FOODS
Boise, Ida.

Marketing Personnel

Dietmar Kluth, vp-sales and mktg
Wayne Durfey, genl mgr-food services sales
David D. Bohecker, genl mgr-retail mktg
M. Vince Shaar, genl mgr-retail sales
Martin V. Thomas, genl mgr-sales & mktg services
Stanford P. Darger, genl mgr-mktg-Foodways National
Geoffrey V. Supko, vp-sales & mktg, Gagliardi Bros.
John W. Bauer, genl mgr-retail mktg, Gagliardi Bros.

Advertising Agency

Doyle Dane Bernbach, New York—Grant Roberts, group senior vp.

WEIGHT WATCHERS INTERNATIONAL
Manhasset, N.Y.

Marketing Personnel

Dr. Lelio G. Parducci, vp-mktg & operations
Steve M. Heyl, genl mgr-mktg
M. Jane McIntosh, senior mgr-new services mktg
Leonard J. Tacconi, Michael Schiffmiller, mktg mgrs
Michael D. Kelly, vp-mktg

Advertising Agencies

Doyle Dane Bernbach, New York—Bob Freeman, senior vp-mgmt super; Mark Abrams, vp-acct super.

MCA Advertising, New York—Weight Watchers prod—T. Atkinson, senior vp.

Hershey Foods Corp.

RANK 88

Hershey, Pa.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	1,893	1,700	11.3
Net income	109	100	8.5
Advertising	79	69	15.3
Division sales			
Chocolate/confection	1,287	1,159	11.1
Restaurant	427	384	11.4
Other food	178	163	9.1

Hershey Foods Corp., Hershey, Pa., spent an estimated $79.2 million in U.S. advertising, a 15.3% increase from 1983, making it the nation's 88th largest advertiser.

Hershey had $1.89 billion in worldwide sales in 1984 and $109 million in earnings, for a 11.3% increase in sales and an 8.5% increase in net income from 1983.

The company's business is primarily in the chocolate and confectionery business, but other business range from Friendly Ice Cream and Family Restaurants to pasta products and a commercial coffee service.

Hershey Chocolate led Hershey's three divisions with 68% of sales or $1.3 billion, and operating income of $195.8 million. Friendly Ice Cream Corp. contributed 22% of sales, $427.1 million, and operating income of $41.7 million, while other food products and services contributed $178 million in sales and operating income of $4 million.

Increased sales for Hershey Chocolate resulted from both an increased sales volume and a hike in the bar product retail price from 30¢ to 35¢ in early 1984, according to the company.

Hershey spent $60.5 million in measured media during 1984. Its estimated $18.7 million in unmeasured advertising was spent on coupons and promotional advertising, according to a company spokesman.

Hershey Chocolate continued in a heated battle with Mars Inc. for dominance of the $8 billion-a-year U.S. candy market. Combined, the companies sell about 70% of the candy bars in the U.S., while Peter Paul Cadbury sells about 9% and Nestle about 6%.

Such Hershey familiars as the Hershey Bar, Reese's peanut butter cups and Mr. Goodbar anchor Hershey in the competition. The company now heavily promotes new products that last year contributed 20% to the company's candy sales.

"Increasingly, Hershey is looking to tap an adult market for its products," says G. Leonard Teitelbaum, an analyst at Merrill Lynch, New York. "They want to reposition candy away from a kid's snack."

Such products as Skor and Take Five are aimed at adult consumers. Spending on Skor, a chocolate-coated toffee bar introduced in 1982, was increased by 32% over 1983 levels, to $3.2 million in measured media, according to totals for six-media monitored by Leading National Advertisers.

In a move to broaden product lines, Y&S licorice Twizzlers were rolled out nationally with the support of $1.2 million worth of spot and network tv.

Another important diversification for Hershey has been its entrance into the highly competitive $440 million granola bar market. Quaker holds a key 45% to 49% share of the market; General Mills, 28% to 30%; Pillsbury, 8% to 10%; Hershey's New Trail, 6% to 7%, and Ralston Purina, less than 1%.

"We're still in there fighting," says Tony Pingitore, director of new product development for Hershey Chocolate.

To maintain its stake, Hershey last year increased its measured advertising spending on New Trail by 62% to $4.7 million. Network tv claimed $4 million of the total, with the remainder spent on magazines. New Trail also expanded its product line to six varieties and unveiled new packaging.

In another big move, Hershey rolled out nationally its Hershey chocolate milk in 1984. Licensing its name to the dairies which produce the milk, Hershey spent $2 million in measured spending for the chocolate milk which represented an increase of 135% over product-introductory spending levels.

Measured spending for Friendly Ice Cream and Family Restaurants declined by 24%, to $3.4 million. During the year, the company opened 47 restaurants for a total of 707 in 16 northeastern and midwestern states.

"The company is making a move to broaden its geographic dispersion from the Northeast where emphasis on a seasonal business based on a dessert item has deterred its growth," says Mr. Teitelbaum of Merrill Lynch. Friendly Ice Cream is sold at a counter in Family Restaurants a la Howard Johnson's. With many patrons using the restaurant just for its ice cream, Nestle needs to either expand the business where ice cream is more year-round, or emphasize the restaurant part of the business.

The company also is testing a concept for ice-cream dip shops called O'goodies! A second store opened in 1984 where customers create their own sundaes and ice cream flavors and can obtain a variety of beverages and products baked on the premises.

With the November acquisition of American Beauty Macaroni from Pillsbury for $55 million, Hershey has bought the No. 1 market position in the $1.3 billion domestic pasta industry. To signify the consolidation, this Hershey subsidiary was renamed Hershey Pasta Group from San Giorgio-Skinner Co. Hershey holds an estimated 17.2% share of market followed by CPC International (Mueller pasta) at 15.5% and Borden 11.9% (Creamette, Luxury and Ronco). In 1983, Mueller held a 16% share to Hershey's 10%.

Hershey's five regional pasta brands, San Giorgio, P&R, Skinner, Delmonico and American Beauty, are carried in stores in 40 of the 48 continental states.

The only down note to Hershey's bottom line during 1984 was Cory Food Services, which sustained an operating loss, despite a modest increase in sales.

Significant changes at the top of Hershey Foods Corp. found Richard A. Zimmerman becoming chairman-ceo upon the retirement of William E.C. Dearden. Kenneth L. Wolfe succeeded Mr. Zimmerman as president-chief operating officer from senior vp-chief financial officer.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	555	1,540
Magazines	9,924	7,272
Network cable	488	444
Spot tv	13,843	15,519
Network tv	33,642	28,679
Spot radio	1,193	557
Network radio	870	396
Outdoor	0	2
Total measured	60,514	54,410
Total unmeasured	18,686	14,292
Estimated total	79,200	68,702

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HERSHEY FOODS CORP.
14 E. Chocolate Ave.
Hershey, Pa. 17033
(717) 534-4000
Hershey Chocolate Co.
Marketing Personnel
Joseph Viviano, president
Jay F. Carr, vp-mktg
John H. Dowd, vp-new business devel
Anthony J. Pingitore, dir-new prod devel

Advertising Agencies

Doyle Dane Bernbach, New York—Kit Kat, Mr. Goodbar, Take Five, Whatchamacallit, Y&S candies, Reese's Pieces, Skor, Hershey's chocolate milk, new prod—Peter Tate, senior vp-mgmt super.

Ogilvy & Mather, New York—Hershey's Kisses, Hershey's milk chocolate bar, Hershey's milk chocolate bar with almonds, Hershey's baking chocolate, Hershey's chocolate chips, Hershey's cocoa, Hershey's fudge topping, Golden Almond bar, Golden Almond Solitaires, Reese's peanut butter cups, Reese's peanut butter chips, Big Block, Rolo, Hershey's miniatures, New Trail granola snack bar, Giant Kiss, Marabou milk chocolate rolls, new prod—Michael Vaughan, senior vp-mgmt super.

FRIENDLY ICE CREAM CORP.
Wilbraham, Mass.
Marketing Personnel
James D. Staggs, chairman-ceo
John F. Cauley, president
Joseph A. O'Shaughnessy, exec vp
John M. Sauve, vp-mktg

Advertising Agency

Quinn & Johnson/BBDO, Boston—Carol Trifone, acct super; Patricia Heath, acct super, new prod; Mike Moranchek, senior acct exec; Lou Yanucci, acct exec.

HERSHEY PASTA GROUP
Marketing Personnel
C. Mickey Skinner, president-ceo
Clifford K. Larsen, vp-mktg

Advertising Agency

Creamer Inc., New York—San Giorgio pasta prod, P&R Macaroni, Skinner, Delmonico & American Beauty brands—Albert J. Bouchard, exec vp.

RANK
65

IC Industries
Chicago

($ figures = 000,000)

Worldwide	**1984**	**1983**	**% chg**
Sales	4,324	3,735	15.8
Net income	123	93	32.3
U.S.			
Sales	3,875	3,390	14.3
Operating profits	334	214	56.1
Advertising	127	112	13.5
Division sales			
Pet	1,141	1,148	-0.6
Midas	298	272	9.7
Soft drinks	420	394	6.7
Abex	702	611	14.9
Hussman	443	392	12.9
Aerospace/industrial	61	N/A	N/A
Food/drug	144	N/A	N/A
Railroad activities	1,015	907	11.8

IC Industries has evolved from a Midwest railroad into a diversified, multinational company with a strong concentration in three areas—specialty foods, consumer services and commercial products. The railroad, Illinois Central Gulf, remains a successful, albeit less-dominant, part of the operation.

Consumer products at the Chicago-based company, ranked 65th among national advertisers with an estimated $127.3 million in advertising in 1984, up 13.5% from 1983, accounted for $1.86 billion of the company's sales for the year, a 2.7% increase over 1983.

Of total sales, St. Louis-based Pet Inc. products accounted for $1.14 billion, down 1% from 1983, primarily because of a restructuring of Stuckey's operations and closing of 29 of its marginal roadside units. Pet sales would have increased 4% excluding Stuckey's from the figures.

Then in May, 1985, Stuckey's was sold back to W.S. Stuckey Jr., whose father began the group in the 1930s in Eastman, Ga., as a roadside resting place that sold pecans and candies made by his wife.

Pet, the main advertised line at IC, continued a strategy of developing high-margin specialty food products and concentrating on four core businesses—Old El Paso Mexican foods, frozen foods, Whitman's candies and confections, and international operations, which utilize Underwood's manufacturing facilities and distribution systems.

Of the company's total advertising, promotion and marketing spending of $170 million in 1984, more than $90 million was spent by Pet in advertising and promotion, according to the company. Most was in support of Pet's high-margin specialty food products. Change was evident late in the year as the Pet units divided assignments for the specialty and dry grocery groups between Grey Advertising, New York, and Workshop West, Beverly Hills, Cal., which previously handled both.

Workshop West was assigned the creative for Old El Paso dry grocery items and given selected projects for Pet evaporated milk, Underwood spreads, Ac'cent flavor enhancer, B&M baked beans and other small brands.

The same agency also is involved with the unveiling of a collection of 18 new products by the dry grocery group. These include a three-item line of Thick & Chunky Mexican sauce mixes without preservatives, two new Ac'cent products and two new baked bean varieties.

The creative work for the specialty group turned over to Grey Advertising included Downyflake frozen breakfast foods, Old El Paso frozen Mexican entrees, Pet-Ritz pie crusts and Whitman's chocolates.

Pet has been a leader in the frozen pie-shell market with its Pet-Ritz pie crust claiming 60% of that market, but it is facing challenges from Pillsbury, Keebler, Kellogg and others. A tv and magazine campaign, launched in September, 1984, was aimed at expanding that market by emphasizing convenience. The "just fill and bake" theme was targeted for daytime and prime-time tv and women's magazines, with a special *Reader's Digest* eight-page supplement offering new recipes. Media spending for the campaign was slightly less than $600,000.

Pet products received 38% of IC's six-media measured spending of $46.1 million, according to Leading National Advertisers. Measured totals for newspapers and spot radio—not part of LNA totals—increase IC's total to $57.2 million. Major advertising support for Pet products, focusing on broadcast, included $3.2 million for Ac'cent flavor enhancer, up 28%; Old El Paso Mexican line, $6.4 million, down 4.5%, and B&M baked beans, $1.5 million, up 50.9%. The company puts heavier emphasis on point-of-purchase and other nonmedia advertising.

Midas Muffler Shops had record revenues of $298 million in 1984, up 10%, and pretax income of $37.6 million, down 4.8% from 1983 when Midas had a $6 million favorable adjustment to its warranty expenses. Midas shops were supported by $46 million in advertising and promotion.

Of that total, $37.7 million was spent in measured media, about $26.5 million split evenly between spot and network tv, and the rest in spot radio. The balance was used for production, point-of-purchase materials, dealer incentive programs and a pr effort now in its fourth year. Midas spent $32.1 million in measured media in 1983.

Midas added 74 automotive service shops in the U.S. in 1984. It also expanded its services to include front-end suspension systems, brakes and shock absorbers. By the end of the year, there were 1,415 Midas shops in the U.S., 165 in Canada, 209 in Europe and 36 elsewhere in the world.

IC's soft drink operations, principally Pepsi-Cola General Bottlers (IC also has Dad's root beer), had record sales of $420.2 million, a 7% increase over the previous year. Profits were $37.8 million, down 8.3% because of increased competitive pressures and higher ingredient costs.

By acquiring three new franchises in Missouri and Iowa, the company expanded its total market to more than 16 million people. Pepsi-Cola General Bottlers now has 11 franchise areas, including the major market areas of

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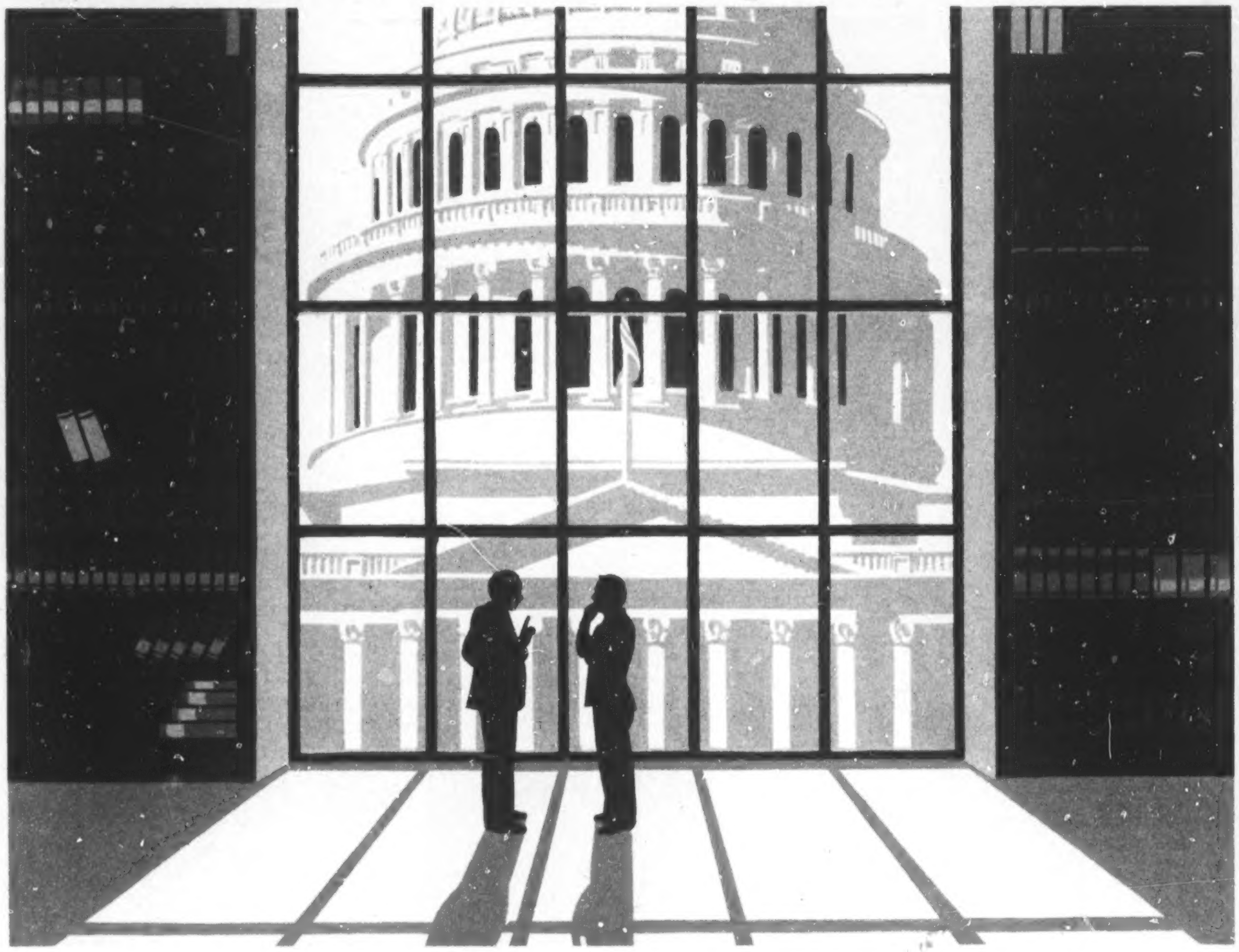

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The changing face of the soft drink market had its impact on Pepsi General, as the bottler was in the forefront of bringing to market a new diet Pepsi-Cola sweetened entirely with NutraSweet. It also test-marketed Slice, a new lemon-flavored product from Pepsi-Cola.

Pepsi General, in a joint effort with Pet, developed Orchard Sun to compete in the $59.3 million aseptic fruit-drink market. Orchard Sun is a 10%-juice beverage packed in 12-oz. aseptic boxes. It is available in orange, punch, grape and apple flavors.

Orchard Sun faces competition from Shasta's Capri Sun, which has 35.6% of the market, and from other products such as Coca-Cola's Hi-C, Del Monte's Hawaiian Punch and Ocean Spray Cranberry juice drinks. The regional introduction of Orchard Sun was supported by a $250,000 ad schedule on spot tv.

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In October, 1984, IC Industries acquired for $592.8 million Pneumo Corp., a Boston-based defense contractor. First-quarter 1985 results at Pneumo showed a backlog of $1.2 billion, 75% of which are firm contracts and the balanced authorized contracts. Of those, about 70% were military.

Pneumo has four operating divisions, including Cleveland Pneumatic, a designer and producer of aircraft landing gear. National Water Lift Division in Kalamazoo, Mich., designs and manufactures aircraft flight and engine controls. The Claud S. Gordon Co. in Richmond, Ill., produces thermocouple wire. Carls Drug, Rome, N.Y., is a chain of drugstores.

IC's fifth division, P&C Food Markets, the country's 26th largest supermarket chain, was sold in May to a company formed by P&C senior management and an investor group. In commenting on the sale, IC officials said it was consistent with its plan to concentrate on specialty foods, consumer services and aerospace products.

The dairy division was sold in August, 1985, to Southern Dairy, a new unit of Miami-based KMC Group. The sale did not affect Pet's evaporated milk business.

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Other companies under the IC umbrella are Abex Corp., maker of hydraulic pumps and motors and servovalves for many of the free world's airplanes and space vehicles; Hussman Corp., manufacturer of environmental control and refrigeration systems, and the Illinois Central Gulf Railroad operations.

As a result of the acquisition of Pneumo, the managements of both Pneumo and Abex have begun to explore ways they can combine their expertise to develop complete aircraft flight control systems. This could generate combined aerospace sales and earnings greater than either could achieve separately.

Illinois Central Gulf regained profitability in 1984 and is reshaping itself as a balanced transportation company serving the area between the Great Lakes and the Gulf of Mexico. The ICG has a system of freight movement with expanding trucking services to complement its railroad operations.

In keeping with this streamlining, the railroad unit announced during the third quarter of 1985 the sale of 713 miles of rail lines, located primarily in eastern Mississippi, to Gulf & Mississippi Railroad. ICG is the country's seventh-largest railroad, with $1 billion in revenue, and represented less than one-fourth of IC Industries' income in 1984.

IC Industries has struck it rich in the franchise business, both as a franchiser with Midas International and as a franchisee with Pepsi-Cola General Bottlers. The company is relying on that experience as it plies the acquisition trail in search of one or more service-oriented companies cast in the Midas mold.

In a campaign created by Gardner Advertising, St. Louis, the company spent close to $1 million in an attempt to attract investors. Each of the ads emphasized a single market fact about one of the IC companies. The ads were placed in carefully selected media targeted at the investment community and resulted in a 500% increase in queries from potential investors.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,062	1,176
Magazines	3,571	3,689
Network cable	0	16
Spot tv	24,500	20,971
Network tv	17,466	17,698
Spot radio	9,993	6,163
Network radio	504	599
Outdoor	93	51
Total measured	57,189	50,362
Total unmeasured	70,100	61,754
Estimated total	127,289	112,116

IC INDUSTRIES
111 E. Wacker Dr.
Chicago, Ill. 60601
(31[illegible]) 565-3000

Marketing Personnel

Wendell W. Larsen, senior vp-corp affairs
Harry A. Grove, dir-adv

Advertising Agency

Gardner Advertising, St. Louis—Tom Jonas, acct super.

PET INC.
St. Louis, Mo.

Marketing Personnel

Grocery Group

A. James Matson, group president
Syl Stevenson, Gerald Hayes, John Ferguson, dirs-mktg
Swaran Saxena, dir-mktg, rsch
Hank Grese, vp-genl sales mgr

Specialty Group

W. Rufus Jones, president
Theodore G. Keller, exec vp-sales & mktg

Frozen Foods Division

Raymond N. Felitto Jr., president
John J. Kramer, vp-mktg
Vernon A. Boehler, vp-sales

WHITMAN'S CHOCOLATES DIVISION

James W. Nixon, president
Robert C. Camelier, natl sales mgr
Demar R. Moeller, dir-mktg

Bakery Division

Ted Keller, acting president
Jerry H. Burchyett, vp-sales & mktg

Specialty printing division

Walter H. Busch, president
Ben Kraft, vp-sales

International Group

Larry D. Umlauf, president
P. David Searles, exec vp-Europe
William Gene Norman, exec vp, Latin America

Advertising Agencies

Grey Advertising, New York—Downyflake frozen breakfast foods, Old El Paso frozen Mexican entrees, Pet-Ritz pie crusts, Whitman's chocolates—Nancy Bruya, group head, dir-spot traffic.

Haworth Group Inc., Minneapolis—grocery group media planning & buying—Claude W. Stevens, exec vp.

Workshop West, Beverly Hills, Cal.—Old El Paso dry grocery items—Elliot Uberstein, acct exec.

MIDAS INTERNATIONAL
Chicago, Ill.

Marketing Personnel

R.J. Richards, vp-mktg franchise operations
John Masen, dir adv & sales promo
R.F. Linder, vp-mktg

Advertising Agency

Wells, Rich, Greene, Chicago—Larry Singer, president; Jim Avery, senior vp-mng dir; Al Lerman, senior vp-exec creative dir; Lee Berenbaum, natl acct exec.

PEPSI-COLA GENERAL BOTTLERS INC.
Chicago, Ill.

Marketing Personnel

P.J. McCarthy, dir-adv

Advertising Agency

Genadco (in-house agency), Chicago.

International Business Machines

RANK 18

Armonk, N.Y.

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Sales	45,937	40,180	14.3
Net income	6,582	5,485	20.0
U.S.			
Sales	27,371	23,127	18.4
Operating profits	3,981	3,296	20.8
Advertising	376	297	26.6
Division sales			
Processors	11,823	10,782	9.7
Peripherals	11,698	11,093	5.5
Office systems	9,837	7,756	26.8
Program prods.	3,197	2,302	38.9
Maintenance	5,266	4,577	15.1
Other	2,403	2,431	-1.2
Federal systems	1,645	1,176	39.9
Other business	68	63	7.9

International Business Machines Corp., Armonk, N.Y., the 18th largest advertiser, increased national advertising spending by 26.6% to $376 million in 1984.

A significant boost in measured spending was recorded in IBM's line of personal computers, which received $62.6 million in 1984, up 160%. Uncertainty reigns, however, in 1985 because of softness in PC sales and IBM's decision to halt production in, March, 1985 of PCjr, a product accounting for $32.5 million, or 17.1% of 1984 measured media spending.

PCjr represented IBM's largest 1984 outlay, divided 60% network tv, 36% magazine, and 4% spot tv.

But halting PCjr is expected to do less damage to IBM's profitability than to its reputation. While shipments of IBM personal computers tripled in 1984, jumping IBM's marketshare to 35% from 24% in 1983, their sales accounted for less than 7% of IBM's $45.94 billion in 1984 sales, says Bill Ablondi, vp-markets group at Future Computing, Dallas. And while home PCs accounted for 40% of units shipped in 1984, they accounted for only 20% of revenues. IBM's earnings in 1984 were $6.58 billion, up 20%.

IBM has perhaps 100,000-plus PCjrs to unload, but being a low-cost producer, it is not expected to take a beating even if predictions by Future Computing hold that home computer sales fall to 3.2 million units, compared with 4.6 million units in 1984. Future Computing predicts that total personal computer sales will fall from 7.6 million units in 1984 to 7.3 million in 1985, jumping to 9.2 million units in 1986.

Price-cutting and rebates on the PCjr stimulated sales in the fourth quarter of 1984, when about a third of all PC sales normally take place. About 275,000 PCjrs were sold in 1984. But the discounts also cut heavily into Apple Computer's sales.

Apple had a 17% share of personal computers in 1984, but was pushed out of first place by IBM, with a 35% share. Apple's share is expected to drop to 14% in 1985, Mr. Ablondi says.

IBM's sales for the first six months of 1985 were $21.2 billion, down 2% from the same period in 1984, with net earnings falling to $2.4 billion, down 15%.

Matthew Meehan, analyst for Salomon Bros, New York, attributes the decline to delays in orders as a result of announcing key new products. Another factor was the strong U.S. dollar, which slashed foreign sales from roughly 50% of revenue in 1980 to 40% in 1984, and cut net revenue in the first half of 1985 by 8%.

IBM accelerated introduction and delivery of the 3380 "double capacity" disk drive, and the IBM 3090, a new generation mainframe known as Sierra. IBM began shipping the products in August 1985, three months ahead of its October target.

IBM, which controls 78.2% of the U.S. market for mainframes, needed the introductions to maintain growth objectives that would make it a $200 billion company in 1995, says Thomas Fontana, research analyst for The Gartner Group, Stamford, Conn. Accelerating Sierra and the 3380 drive could add $1 billion-plus to IBM's third quarter revenues, analysts say.

IBM spent $16 million in 1984 on measured media for business computer systems, divided 83% network tv, 15% magazine and 2% spot tv. Another $4 million in measured media was for medium-size business computers in 1984. The measured outlay for general promotion was $22.7 million, divided 70% network tv and about 30% magazine. Much of IBM's general promotion focused on its sponsorship of the 1984 Summer Olympics.

Revenues for the first nine months of 1985 are expected to fall as a result of sluggish domestic orders, Mr. Meehan says. Perhaps for this reason, IBM announced price cuts of 6% to 23% in June, 1985, to stimulate demand for mainframe and minicomputers. IBM derived an estimated 60% of its 1984 revenues from sales of mainframes services, Mr. Fontana says.

Additional growth is expected from IBM's moves into convergent technologies, such as telecommunications. IBM on Nov. 21, 1984, acquired Rolm Corp., Santa Clara, Calif., a maker of telecommunications products, for $1.26 billion. But IBM was forced to sell Rolm's Mil-Spec military computer division to Loral Corp., New York, for about $100 million.

IBM's pending trade of Satellite Business Systems with MCI for 16% of MCI's stock and warrants for 2%, would enable IBM to rid itself of a marginal business and open opportunities in telecommunications with the second largest long-distance carrier, Mr. Meehan says. The trade is valued at about $400 million, depending on the price of MCI stock on regulatory approval of the trade, which is expected by year-end. IBM can acquire

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as much as 30% of MCI without MCI's further approval.

In February, 1984, IBM formed a joint venture with CBS Inc. and Sears, Roebuck & Co. to form a videotex service for people with personal computers, dubbed Trintex. IBM also formed a joint venture in March, 1984, with Merrill Lynch, called International MarketNet, to replace "dumb" stock quote terminals on brokers' desks with personal computers that perform a variety of functions.

Yet another joint venture in September, 1984, with Genoa, Italy-based Selenia Elsag Group seeks to develop software and automated products used in various manufacturing environments.

John F. Akers, IBM's president since February, 1983, was elected chief executive in February, 1985. John R. Opel retains the title of chairman.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	36,036	11,720
Magazines	63,098	27,172
Network cable	599	1,263
Spot tv	5,609	5,006
Network tv	78,617	52,409
Spot radio	6,386	5,474
Network radio	0	507
Outdoor	17	13
Total measured	190,422	103,564
Total unmeasured	185,578	193,436
Estimated total	376,000	297,000

IBM CORP.
Old Orchard Road
Armonk, N.Y. 10504
(914) 765-1900

ADVERTISING PERSONNEL

Marketing Personnel

C.G. Francis, dir-adv
W.F. Barton, dir-adv programs
J.F. King, dir-adv operations
M.C. Gury, mgr-corp tv adv
R.W.W. Baker, mgr-corp print adv

Advertising Agency

Lord, Geller, Federico, Einstein, New York—Al Berger, senior vp-mgmt super.

INFORMATION SYSTEMS GROUP

Marketing Personnel

A.A. Emerson, dir-adv
D.H. Butters, mgr-adv
W.H. Harrison, mgr-adv

Advertising Agencies

Doyle Dane Bernbach, New York—Joe Dell'Aquila, vp-mgmt super.

Geer, DuBois, New York—John Allen, senior vp-group acct super.

NATIONAL DISTRIBUTION DIVISION

Marketing Personnel

I.J. Seligsohn, mgr-adv & promo
J.J. Godin, mgr-adv operations
T.B. Heckel, mgr-adv & promo, retail mktg
J.C. Mahlbacher, mgr-adv, retail mktg

Advertising Agency

Doyle Dane Bernbach, New York—N. Brown, vp-acct super.

FEDERAL SYSTEMS DIVISION

Marketing Personnel

M.J. Barnes, asst-adv & operations

Advertising Agency

HCM, New York—Jim Posiello, vp-acct super.

ENTRY SYSTEMS DIVISION

Marketing Personnel

D.T. Coker, dir-adv & promo programs
R.J. O'Leary, mgr-adv

Advertising Agency

Lord, Geller, Federico, Einstein, New York—C.D. Titsworth, senior vp-mgmt super.

ITT Corp.

New York

RANK 44

($ figures – 000,000)

Worldwide	1984	1983	% chg
Sales	12,701	12,480	1.7
Net income	448	675	-33.6
U.S.			
Sales	6,685	5,969	12.0
Operating profits	309	396	-22.0
Advertising	168	134	25.2
Division sales			
Telecommunications	5,504	5,544	-0.9
Industrial technology	4,337	4,027	7.7
Diversified services	8,352	7,384	13.1
Natural resources	1,002	932	7.5

ITT Corp., New York, was the nation's 44th largest advertiser in 1984 with total estimated U.S. ad spending of $168 million, up 25.2%. Product line was narrowed through divestiture by the conglomerate to firm up three broad areas of concentration—telecommunications, engineered products and services.

The sale of oil and gas interests and a publishing arm earlier this year are part of a two-year plan to divest another $1.7 billion in assets through 1986. Not included in this total was the sale in September, 1984, of Continental Baking Co. As of September, 1984, the book value of ITT's assets totaled $14.1 billion.

Funds obtained from the divestments will go to lessening ITT's $4 billion debt load and providing the money needed for its expansion plans, primarily in the hotly competitive telecommunications industry.

In July, 1984, ITT reduced its quarterly common share dividend from 69¢ per share to 25¢ per share. This cash-saving measure brought the company's dividend-to-earnings ratio in line with the high-tech environment in which ITT is concentrating.

During 1984, net income totaled $448 million, down 33.6% from 1983. Sales totaled $12.7 billion, up 1.7%. Discontinued operations were factored out of prior year reporting to show year-to-year comparables. As of the end of the first half, 1985, ITT sales had increased to $5.1 billion, up 5.7%, and net income improved 50.7% to $118 million.

Total measured advertising expenditures for 1984 were $43.5 million, down 20.8% from 1983. ITT budgets much of its advertising on consumer-oriented businesses like Scott lawn products, Sheraton Hotels and Hartford Insurance. Its biggest outlay generally is for general promotion to build ITT recognition.

Major shifts in media in 1984 included spot tv, down 54.6%, to $11.8 million, and spot radio, down 65%, to $1.1 million. Network tv expenditures went up 33.4%, to $13.2 million. Newspaper spending was up 21.8%, to $4 million, and network cable jumped from $8,000 in 1983 to $681,000.

ITT general promotion received $13.1 million in measured advertising in 1984, mostly network tv and magazines, compared with spending of $6.1 million the previous year.

ITT's entry into the personal computer field, the Xtra, took one of the largest media budgets—$5.7 million—with spot tv receiving $3.6 million and magazines, $1.3 million, and spot radio, $833,000. It was given a voice command option in an effort to make the Xtra more competitive with other personal computers. The Talking Xtra will respond to a vocabulary of up to 200 words; to promote this, ITT's corporate agency, Biederman & Co., created a tv spot featuring a boy, accompanied by his St. Bernard dog, who operates an Xtra with voice commands and barks.

Spending on Sheraton was down 11.4%, to $8 million, according to Leading National Advertisers, which monitors six media. The Sheraton system presently includes more than 475 hotels and inns in 55 countries, with a projected increase to 700 hotels in 60 countries by 1989. In March, 1985, the Sheraton Corp. signed a contract to operate a 1,007-room luxury hotel in Beijing. The Great Wall Sheraton Hotel Beijing is the first hotel in the People's Republic of China to bear the name of an international hotel company.

Spending for Hartford Insurance Group was down 22.4%, to $2.8 million. The major reduction came in the life insurance category. According to six-media LNA figures, spending in life insurance dropped from $1.1 million in 1983 to $6,300, all in magazines. Hartford ranked 10th in the U.S. property and casualty field on the basis of 1983 written premiums. Earnings were off for 1984, principally because of weather-related losses.

ITT's billion-dollar gamble—its attempt to adapt the 3-year-old System 12 digital switching system to North American standards—appears to be paying off. In the first half of 1985,

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AA 92685

ITT sold System 12 equipment to Southern Bell and Pacific Bell—the first time a Bell operating company has purchased the equipment. The system will enable the companies to provide customers with new custom local-area voice and data services, new credit card applications, 800 number projects within the service area and city-wide centrex.

Reflecting the introduction of new products and improved market share in its retail segment, spending for O.M. Scott & Sons Co. was up to $2.8 million from $670,000 in 1983, primarily in spot tv for Scott's Turf Builder and lawn multi-product advertising, according to LNA.

ITT also divested in August, 1984, one of its perennial ad spending leaders when it sold Continental Baking Co., Rye, N.Y., to Ralston Purina for $475 million in cash. Continental's 1983 sales were $1.5 billion, yielding net earnings of $41 million. Wonder and Home Pride breads and Hostess baked goods are the primary brands at Continental, which spent about $20 million on measured advertising in 1983. Also, during the first quarter of 1985, ITT sold a majority of the assets of Eason Oil to Sohio and Sonat Inc. for $239 million.

In April, 1985, ITT's publishing businesses were sold to Macmillan Inc. for $75 million. Included in the sale were Bobbs-Merrill Co., Intertec Publishing Corp., Marquis Who's Who, G.K. Hall Corp. and Michie Co. Also sold were Research & Review Service of America, Character Licensing and ITT Bobbs-Merrill Educational Publishing Co. The ITT publishing group had 1984 sales of more than $95 million.

ITT sold 12 Industrial Technology Corp. companies for $400 million to Forstmann Little & Co., a private investment company specializing in acquiring companies through management buyouts. Additionally, the company has on the block a bevy of companies from its Industrial Technology group. The companies involved had sales of about $600 million last year, or about 13.8% of the total sales and revenues of the Industrial Technology group.

In May, 1985, ITT announced plans to sell Pennsylvania Glass Sand Corp. to United States Borax & Chemical Corp. of Los Angeles, a subsidiary of Rio Tinto-Zinc Corp. p.l.c. of London. Pennsylvania Glass Sand is a producer of silica sand and attapulgite clay products for the glass, chemical, oil and gas, and agricultural industries. Net sales in 1984 were $83.5 million.

During 1984, ITT acquired Valtec in West Boylston, Mass., from U.S. Philips Corp., to complement its position in fiber optics, and took a 44% interest in Christian-Rovsing in Denmark to enhance its presence in software systems.

In April, 1985, ITT acquired Baylock Mfg., Leonard, Mich., a producer of high-quality plastic tubing and other plastic parts and assemblies for the automotive industry.

ITT named Edmund Carpenter president-chief operating officer in July, 1985, giving him one of the titles held by Rand Araskog, who continues as chairman-ceo. It also consolidated management of the company's businesses into two groups, manufacturing and services. ITT also promoted two exec vps, DeRoy Thomas and M. Cabell Woodward Jr., to vice-chairmen.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	4,042	3,162
Magazines	11,797	11,664
Network cable	681	8
Spot tv	11,750	25,895
Network tv	13,175	9,875
Spot radio	1,132	3,235
Network radio	167	314
Outdoor	767	747
Total measured	43,511	54,899
Total unmeasured	124,489	79,338
Estimated total	168,000	134,237

ITT CORP.
320 Park Ave.
New York, N.Y. 10022
(212) 752-6000
Corporate
Marketing Personnel

Juan C. Cappello, senior vp-dir, government relations, corp relations & adv
J.P. Jannuzzo, dir-adv & sales promo
R.A. Cronenwett, mgr-adv & sales promo services
M.B. Clifford, mgr-sales promo services

Advertising Agencies

Biederman & Co., New York—corp—Barry Biederman, chmn; John Kelly, exec vp; Michael Rowland, vp-mgmt rep.

Fritchman Associates, Ridgefield, Conn. —telephone directories— Bill Grech, mgmt super.

THE HARTFORD
Hartford, Conn.
Marketing Personnel

Roger Dove, senior vp-corp relations
Peter Egan, asst vp-dir adv
Greg King, asst dir adv

Advertising Agency

McCaffrey & McCall, New York—corp adv—Bruce Sherman, senior vp-acct super.

SHERATON CORP.
Boston, Mass.
Marketing Personnel

Robert Collier, dir-mktg
Robert Quinn, vp-dir adv
Adrienne Davis, vp-associate dir adv

Advertising Agency

HBM/Creamer, New York—Stanley Levitz, exec vp-mgmt super; Steven Godsick, senior vp-group super; Ruth Godfrey, acct super; Teresa Rogovsky, Louise Draper, Carol Ranzenhofer, acct execs.

O.M. SCOTT & SONS
Marysville, Ohio
Marketing Personnel

Bernard Ford, dir-mktg
Schrade Radtke, dir-consumer lawn mktg
James Fretter, mktg mgr-professional prod
Ashton Ritchie, mktg mgr-lawn prod, North
Donna Rosenstock, asst mktg mgr-professional garden mktg
Elaine Reece, mktg asst-lawns
Robert Rinehart, mgr-business information
Mark Bater, dir-professional gardens mktg
James Hoyt, mktg mgr-irrigation prod
Robert Bell, dir-direct mktg, W. Atlee Burpee Co.

Advertising Agencies

Doyle Dane Bernbach, New York—O.M. Scott lawn prod—Arie Kopelman, vice chmn; Gordon Sleeper, senior vp-mgmt super; Lauren Burger, vp-acct super; Connie Sinnaeve, acct exec.

Rapp & Collins, New York—Burpee prod—David Scholes, exec vp-dir mktg services; Dominick Perone, senior acct exec.

Johnson & Johnson

RANK 25

New Brunswick, N.J.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	6,125	5,972	2.5
Net income	515	489	5.2
U.S.			
Sales	3,736	3,611	3.5
Operating profits	430	457	-5.9
Advertising	300	297	1.1
Division sales			
Consumer	2,601	2,531	2.8
Professional	2,004	2,043	-1.9
Pharmaceutical	1,296	1,176	10.2
Industrial	224	223	0.3

Johnson & Johnson, the 25th largest national advertiser with an estimated $300 million in spending, returned a static performance in 1984, a period marked by encroachment from competitors in its analgesic and sanitary protection markets, reduced hospital admissions caused by hospital containment measures, and fluctuations in foreign currency against the dollar.

The New Brunswick, N.J.-based company's worldwide earnings increased 5.2% on sales that improved only 2.5% in 1984 as Johnson & Johnson boosted its U.S. advertising 1.1% over the previous year—a percentage that, coupled with J&J's aggressive introduction of new products and movement, meant considerable fluctuations in the ad support of its battery of products.

Domestic sales rose 3.5% in 1984 to $3.74 billion, or 61% of worldwide sales, while operating profit in the U.S. dropped 5.9% to $429.9 million, or 48.7% of worldwide operating profit. Foreign sales over-all rose 1.2%, to $2.39 billion.

Johnson & Johnson's consumer segment continues to pace the company's business segments in both sales and advertising. In 1984, 42.5% of total sales, or $2.60 billion, was generated by the consumer division, although operating profit slumped 26.1% to $305 million, or 34.6% of total operating profit. The company says declining operating profits were the result of increased investment spending to meet competitive activity in consumer markets. Johnson & Johnson spent virtually all of its measured media of $210.7 million, up 24.5% from 1983, on consumer products.

Despite the pressures, Johnson & Johnson in 1984 still ranked No. 1 in the U.S. in nine consumer product markets: External sanitary protection, baby toiletries, sunscreens, adult and children analgesics, adhesive bandages, dental floss, first aid products, fluoride mouth rinses and over-the-counter female contraceptives.

Some of Johnson & Johnson's key brands are experiencing strong competition, including its three sanitary protection brands—Stayfree, Sure & Natural and Assure!. Elbowing their way into J&J's traditional markets were new products introduced by Tambrands' Petal Soft and Procter & Gamble's Always. J&J's Tylenol is being pressured by new nonprescription analgesics introduced by American Brands' Whitehall Laboratories' and Bristol-Myers's Datril.

Increased competition in these areas has led Johnson & Johnson to spend about $62.2 million alone on Tylenol in its various forms, an increase of 9.5% over the previous year. The company reported that the dollar market share of Tylenol has improved from 33.5% a year ago to 34.7% in a market with substantial new high priced entries.

In the January/February period of 1985, Tylenol had 98% of the dollar share that it had in the period immediately preceding the 1982 Tylenol cyanide poisoning tragedies. Moreover, the new share is in a market worth $1.2 billion, some 35% larger than it was just prior to the scare. Included in the Tylenol measured ad figure is $2.6 million J&J spent to introduce Extra Strength Tylenol Caplets, capsule-shaped, coated tablets that are smaller than both Extra-Strength Tylenol and Extra-Strength Tylenol tablets and easier to swallow.

Similar in consistency is the newly introduced Junior Strength Tylenol tablets. Designed for children 6 through 14, this Tylenol product also features the same ease-of-swallowing benefit of its adult-strength counterpart. Advertising expenditures for the introduction of this product were $3 million. From the over-all Tylenol line, the Tylenol Regular and Extra Strength pain reliever received $22.1 million in measured spending.

PediaCare, introduced nationally in 1984 by the McNeil Consumer Products unit of J&J, is the company's first line of cold products designed especially for children. PediaCare cough formula received $1.1 million in ad backing and the children's cold products received $356,100 in backing. The medication is available in three forms: cough suppressant, decongestant/antihistamine and combination cough suppressant, decongestant and antihistamine. The PediaCare line is alcohol-free and is the company's first non-Tylenol analgesic product line marketed nationally. The company has launched a $3.6 million multimedia campaign.

J&J continues to hold a 42% over-all market share of the $730 million sanitary product market,' despite heavy competition, spending $23.4 million on Stayfree products vs. $12 million in 1983, $13.9 million on Sure & Natural vs. $16.6 million in 1983, and $8.9 million on Assure! in its first year.

J&J's over-all market share in this category was buttressed in 1984 with the introduction of Stayfree Maxi-pad Thins, Sure & Natural Maxishields and Stayfree Silhouettes Body-Shape Maxi-pads on which the company spent $3.6 million in measured advertising. J&J's Ortho Pharmaceutical's Dimensyn Maximum Strength menstrual discomfort relief product received $989,000 in measured spending in its introductory year. It claims to relieve irritability and nervous tension, menstrual cramps and swelling. The total Dimensyn line of capsules, remedy and tablets collected $2.9 million in spending.

Johnson & Johnson Products commands a 64% share of the adhesive-bandage market. This year, the company launched a Band-Aid brand line-extension: Band-Aid medicated adhesive bandages designed to kill germs and help prevent infection. J&J spent $8 million in measured media for Band-Aid products in 1984.

Johnson & Johnson's personal products division launched Take-Off makeup remover cloths in 1984 under the direction of Saatchi & Saatchi Compton. A new product within the category, Take-Off cloths are moistened with special makeup removal ingredients. A minimal $60,300 was spent on Take-Off in test at the close of 1984. The product has gone national in 1985.

Measured spending for J&J's Reach toothbrush increased to $5.1 million in 1984, up 10.9% from the previous year. To date, Reach holds the leadership position among dental products along with Johnson & Johnson dental floss ($5.1 million in measured spending, up from $1.8 million in 1983) and Stim-U-Dent interdental cleaners ($210,200 in measured advertising vs. $28,200 in 1983).

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Which advertisers are fueling the boom in outdoor advertising?

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See page 101

This year, the Health Care Division's ACT fluoride dental rinse was accepted by the American Dental Assn.'s Council on Dental Therapeutics. ACT, with measured ad spending in 1984 of $4.5 million, down 19.6% from 1983, was the leading fluoridated dental rinse.

Affinity shampoo was backed with $12.8 million in measured spending in its introductory year beginning February, 1984.

Among J&J's baby items, these are the leading advertised products with their 1984 measured expenditures followed by 1983 spending according to the six-media monitored by Leading National Advertiser: Johnson's Baby Shampoo, $5.9 million vs. $7.2 million; baby oil, $5.6 million vs. $4.3 million; child development toys, $2.2 million vs. $2.4 million, and baby powder, $2.6 million vs. $4.8 million.

Other consumer products with sizable measured advertising outlays were Micatin athlete's foot remedy, $3.8 million vs. $3.3 million; Johnson & Johnson o.b. tampons, $4.2 million vs. $3.5 million; Co-Tylenol adult and children cold medicine products, $11 million vs. $9.6 million; Secure denture adhesive seals, $2.9 million in its first year on the market; Sine-Aid sinus remedy, $4.7 million vs. $4.3 million, and Stretch 'n Dust cleaning cloth, $5.3 million vs. $384,100.

Internationally, Johnson & Johnson launched Affinity shampoo in Austria, Germany, Ireland, Italy, Sweden, Switzerland and the U.K. In Ontario, a new plant was constructed to manufacture Tylenol. In Brazil, Johnson & Johnson completed the national introduction of Shower-to-Shower deodorant body powder.

In the pharmaceutical division, 1984 sales of $1.3 billion accounted for 21.3% of worldwide sales but operating profit of $427 million contributed 48.4% of the company total. J&J introduced in 1984 Ortho-Novum 7/7/7, the first triphasic oral contraceptive in the U.S. The new prescription product provides three gradually increasing levels of progestogen and a constant low dose of estrogen during the first three weeks of the menstrual cycle. The fourth week is drug-free. Ortho Pharmaceutical in 1984 also introduced Advance, a home pregnancy test.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	976	1,977
Magazines	31,424	23,239
Network cable	1,432	1,721
Spot tv	6,482	9,213
Network tv	168,639	131,266
Spot radio	0	319
Network radio	1,729	1,594
Outdoor	33	0
Total measured	210,715	169,329
Total unmeasured	89,285	127,290
Estimated total	300,000	296,618

JOHNSON & JOHNSON
1 Johnson & Johnson Plaza
New Brunswick, N.J. 08933
(201) 524-0400

Marketing Personnel

G.F. (Pete) Tyrrell, vp-adv, corp staff

JOHNSON & JOHNSON PRODUCTS

Marketing Personnel

Healthcare Division

P.M. Lonergan, vp-genl mgr
C.M. Selquist, dir-prod mgmt
C.A. Roberts, natl sales mgr
A.P. Sullivan, natl sales mgr-Home Health Care
M.S. Fink, dir-mktg & consumer rsch
R.E. Scott, dir-military & athletic mktg

Orthopaedic Division

A.J. Prince, vp-genl mgr
G.K. Kunkle, dir-sales
L.R. Williams, dir-new business devel

Patient Care Division

A.J. Vitarius, vp-genl mgr
J.W. Nelson, dir-mktg
G.P. Kutsop, dir-federal & industrial sales

Special Markets

R.E. Scott, dir-military & athletic mktg
G.P. Kutsop, dir-federal & industrial sales

Advertising Agencies

Cadwell Davis Partners, New York—Reach toothbrushes—Eliot Glazer, mgmt super.

Cummins, MacFail & Nutry, Somerset, N.J.—specialty prod—G. MacFail, president.

Kallir, Philips, Ross, New York—professional mktg programs—John Racik, mgmt super.

MED Communications, Woodbridge, N.J.—patient care div—Jim Walter, acct exec; Ann Marie Murray, acct coord.

Simms & McIvor, Bound Brook, N.J.—orthopaedic div, patient care div, Ethicon—Gene Holland, exec vp-acct coord; Eugene McLoughlin, acct super, Ethicon & patient care div; Allison Brown, acct exec, Ethicon; Joe Cramps, acct super, orthopaedic div; Lisa Thompson, acct exec, orthopaedic div; Elaine Cooper, acct exec, patient care div.

Young & Rubicam, New York—ACT fluoride rinse, dental floss, Band-Aid Adhesive Bandages—Mike Feldman, mgmt super.

JOHNSON & JOHNSON BABY PRODUCTS

Skillman, N.J.

Marketing Personnel

W.C. Egan, vp-genl mgr, consumer prod div
C.J. Johnson, dir prod mgmt, consumer prod div
P.S. Boorujy, vp-genl mgr, child devel prod

Advertising Agencies

McCann-Erickson, New York—Baby Wash Cloths, Baby Bar, Baby Bath—Michael Sennott, senior vp; Terry Fitzgerald, Trish Roberts, Matthew McGuire, acct supers.

SSC&B, New York—Baby Shampoo, No More Tangles, Swabs—Ian McGregor, senior vp; Cynthia Williams, mgmt super; Bruno Velcich, acct super; Patrick Keough, acct exec; Jodi Wiethoff, acct super; Ann Schoonover, acct exec.

Young & Rubicam, New York—Baby Powder, Baby Cornstarch, Sundown, Baby Oil, Baby Lotion, Baby Cream—John Glorieux, group dir; John Foote, mgmt super; Patrick Knisley, acct super; Raphael Saenz, acct exec; David Safran, acct exec.

McNEIL CONSUMER PRODUCTS CO.

Fort Washington, Pa.

Marketing Personnel

C.D. Simonds, vp-mktg
J.J. Gallagher, natl sales mgr
J.T. Lenehan, dir-prod mgmt, pediatric prods
R.E. Whittaker, dir-prod mgmt, adult prods
V.E. Brunell, natl professional sales mgr
J.R. McGann, dir-sales promo
E.A. Behmer, dir-communications
J.L. Strickler, dir-mktg rsch

Advertising Agencies

Kallir, Philips, Ross, New York—direct mail, professional journals—J. Racik, senior vp; E. McCarren, acct super; J. Gruver, acct exec.

Mendoza, Dillon & Asociados, Newport Beach, Cal.—Richard E. Dillon, president.

Saatchi & Saatchi Compton Inc, New York—Tylenol, Co-Tylenol, Sine-Aid—T. Lom, exec vp-mgmt dir; J. Sloan, senior vp-mgmt dir; P. Furey, acct super.

McNEIL PHARMACEUTICAL

Spring House, Pa.

Marketing Personnel

J.A. Kitchen, vp-mktg
J.C. Vaughan, natl sales mgr
N.A. Panzenbeck, dir-mktg rsch
H.R. Rutter, exec dir-prod mgmt

Advertising Agencies

Botto, Roessner, Horne & Messinger, New York—Pancrease (brand of pancrelipase)—R.J. Botto, president.

Kallir, Philips, Ross, New York—Haldol, Haloperidol, Parafon Forte—Meryl Fischmann, vp-acct mgr.

Sudler & Hennessey, New York—Tolectin tolmetin sodium, Tylenol with Codeine, Tylox—R. J. Brancaccio, senior vp.

PERSONAL PRODUCTS

Milltown, N.J.

Marketing Personnel

J.B. Ziegler, group vp-mktg
B.D. Snyder, dir-prod mgmt ESP
P.S. Michaels, dir prod mgmt ISP/Personal Care
P.T. Smith, C. Bergman, group prod dirs

Advertising Agencies

Cadwell Davis Partners, New York—o.b. tampons—Jeffrey Ziegler, mgmt super.

Saatchi & Saatchi Compton Inc., New York—Stayfree Silhouettes Body-Shape Maxi's, Take Off make-up remover cloths—D. Bausch, exec vp-mgmt dir.

SSC&B, New York—Carefree panty shields, Assure! Breathable panty liners—George C. Bauerschmidt, senior vp-mgmt super.

Young & Rubicam, New York—Stayfree maxipads, minipads & thins, Shower-To-Shower body powder—Anne Zopfi, mgmt super.

JOHNSON & JOHNSON DENTAL PRODUCTS CO.

East Windsor, N.J.

Marketing Personnel

T.M. Casciato, dir-mktg
M.E. Stein, vp-worldwide business devel

Advertising Agency

Mel Richman Inc., Bala-Cynwyd, Pa.—Douglas Jung, acct super.

ORTHO PHARMACEUTICAL CORP.

Raritan, N.J.

Marketing Personnel

M.D. Casey, vp

Advertising Agency

Kallir, Phillips, Ross, New York—L.

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Palmer, vp-acct super.

Advanced Care Products Division

Marketing Personnel

D.B. Bellaire, vp-mktg

J.L. Abramson, dir-mktg info & strategic planning

Advertising Agencies

Barnum Communications, New York—R. Bond, senior vp-mktg.

McCann-Erickson, New York—Fact Home pregnancy test—H.L. O'Brien, senior vp-mgmt rep.

Dermatological Division

Marketing Personnel

L.G. Pickering, dir-mktg

Advertising Agency

Kallir, Philips, Ross, New York—L. Palmer, vp-acct super.

ORTHO DIAGNOSTIC SYSTEMS

Raritan, N.J.

Marketing Personnel

J. Neil Kazan, vp-mktg

CHICOPEE

New Brunswick, N.J.

Marketing Personnel

R.L. Bramson, vp-mktg, specialty prods div

J.S. Neely, vp-mktg, consumer div

R.I. Munoz, vp-mktg, affiliate div

Advertising Agencies

ST&L Associates, New Brunswick, N.J.—Howard Rich, acct exec.

SSC&B, New York—George Bauerschmidt, senior vp; Lucy Loux, vp-acct super; Kevin Driscoll, acct exec.

CODMAN & SHURTLEFF

Randolph, Mass.

Marketing Personnel

Robert Dick, vp-mktg

Advertising Agency

Grover & Carroll, Boston—C. Stuart Grover, acct exec.

ETHICON INC.

Somerville, N.J.

Marketing Personnel

L.J. Armour, vp-sales

R.N. Jones, vp-mktg services

F.J. Ryan, vp-mktg, sutures

Advertising Agency

Simms & McIvor, Bound Brook, Mass.—P.A. McIvor, acct super.

PITMAN-MOORE INC.

Washington Crossing, N.J.

Marketing Personnel

V.T Scialli, vp-mktg & sales

D.R. Arnold, group dir

M.C. Rodenbaugh, dir-diagnostic mktg

J.H. Ritter, group dir

Advertising Agency

Brady Co., Menomonee, Wis.—Cy Halada, Bert Hutchison, Eric Slayton, Rich Peterson, acct execs.

SURGIKOS INC.

Arlington, Tex.

Marketing Personnel

J.D. Terry, vp-sales

J.J. Beshel, vp-mktg

J.W. Midgley, dir-mktg rsch & new prods

Advertising Agency

Pierce Davis, Arlington, Tex.—Bill Pierce, mgmt super; Karen Sperl, acct exec.

S.C. Johnson & Son

RANK 81

Racine, Wis.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	2,000	2,000	0
Net income	N/A	N/A	N/A
Advertising	90	87	3.3

S.C. Johnson & Son Inc., the 81st largest national advertiser, supported its brands with an estimated $90 million in advertising during 1984, up 3.4% from the previous year.

For the third consecutive year, the Racine, Wis.-based company felt the poor economic conditions worldwide. Worldwide sales were at an estimated $2 billion, the same level as reported in 1983. The privately held company is estimated to have had U.S. earnings for the fiscal year, ended June 30, 1985, of $80 million.

Johnson entered the marketplace in 1886 as a manufacturer of parquet flooring. After a number of transitions, the company in the past few years has concentrated its expansion on the personal care and over-the-counter drug categories, although it continues backing its polishes and waxes with heavy ending and new-product introductions.

However, in 1984, those traditional categories did not receive as much support as did the company's line of Raid insecticides. Those 24 brands, advertised both nationally and regionally as the insecticides that "Kill bugs dead!" received more than $10.2 million in magazine, newspaper, radio and tv support, or 22% of total measured media advertising of $46.3 million as monitored by Leading National Advertisers, a measured media total 28% off spending levels in 1983. The Raid brand spending in measured media was 20.3% off spending levels in 1983, the main difference being spending for Raid insecticides (nonspecific) of $2.5 million, down from $6 million in 1983.

The largest single share of measured media spending in this category, $2.6 million, went to Raid Flea Killer. That was up from only $616,200 in 1983. Raid Fogger got $2.4 million, up from $203,700 in 1983, and Raid Yard Guard receiving $1.1 million, up from $150,900.

Raid's case share grew 2.9 points to a record high 47.3% in 1984, and Raid now outsells its nearest 10 competitors combined. According to Charles Kline & Co., a Fairfield, N.J., marketing consulting company, Raid holds a 45% share of the estimated $637 million insecticide category.

Off! personal insect repellent held media spending even at $2.5 million, and continued to lead the market by a wide margin with a 77.7% case share in 1984.

In a late year introduction from the personal care division, the company launched Halsa, its third major entry into the $3 billion haircare category. The 10-item line of Swedish botanical-formulated shampoos and conditioners comes in five formulas for five different hair colors. Each formula contains natural ingredients to accent the hair and emphasize shine, the company says.

Halsa received an estimated $12 million in advertising support, the largest single share of media spending. According to Hugh Zurkuhlen, household products analyst with Salomon Brothers, New York, Halsa has achieved a 2.5% share of the shampoo category and a 5% share of the conditioner segment since January. The company's own estimate is a 3.5% share of market in the shampoo category. J. Walter Thompson USA, Chicago, handles.

While Halsa is targeted to an older audience, Johnson's other main shampoo and conditioner entry, Agree, remained a young adult's brand. Agree received more than $5 million in measured media spending with heavy emphasis on spot radio. The line was repositioned as the products to "Turn up the volume in your hair and add softness."

In a further attempt to reach its 12-to-25-year-old target audience, Johnson joined forces with NBC's "Friday Night Videos" and American Airlines for a "Be a video star sweepstakes." The sweepstake marked Agree's debut on a noncable music video show.

Capri haircare products, marketed by Johnson's Northern Laboratories subsidiary, received an estimated $500,000 in national support.

"S.C. Johnson made a couple of good moves with Halsa and Curel [the company's new therapeutic skin lotion]. Halsa could turn out to be Johnson's best new product introduction. By luck or design, the company wisely waited until this year to roll out a new shampoo, avoiding the thundering herd last year trying to get through the revolving door at the same time," a new-products consultant says. "At the same time, Halsa does what Clairol does, but at a lower cost."

Curel, a therapeutic entry in the $440 million hand and body lotion category, was introduced nationally in October, 1984, after a year in test. The brand is supported by an estimated $10 million ad budget, with at least $3 million spent on network tv.

By the end of the first quarter of 1985, Curel had achieved a 6.5% retail market share, trailing Buffalo, N.Y.-based Westwood Pharmaceutical's Keri lotion, 7.0%, and Greenwich, Conn.-based Chesebrough-Pond's Vaseline Intensive Care (VIC), the market leader with 22%, Salomon Brothers' Mr. Zurkuhlen says. Other analysts put the VIC share as low as 19% in dollars and Keri at 8.4%, and Lubriderm from Warner-Lambert at 5%-plus.

Soft Sense, Johnson's earlier hand and body lotion entry, has an estimated 6% share. The brand continued losing media support, dropping 9.7% to $3.7 million in measured media spending. Soft Sense continued stressing its cosmetic benefits and returned to 1981 introductory positioning with a campaign via Foote, Cone & Belding, Chicago.

Johnson is testing a new skincare product, Skintastic, in Bakersfield, Cal., and Lexington, Ky. Called a moisturizing all-over body gel, Skintastic comes in five fragrances—floral breeze, snow blossom, flower shower, cool musk and spicy tingle. The budget for Skintastic was not disclosed.

The company has high expectations for Skintastic, which an industry consultant says "is more satisfactory than Vaseline Intensive Care when applied on the skin, but I'm not sure women will pay more for that."

Johnson's Edge shaving gel continues to hold the No. 1 position in the men's shaving preparation category, despite heavy competition from Gillette Co.'s Foamy gel. Edge received more than $2.1 million in measured media spending, spread between magazines, network and spot tv.

Johnson's Rydelle Laboratories subsidiary paid $18 million to acquire Cooper Dermatological Laboratories, Palo Alto, Cal., for further development of its skincare activities. Marschalk Co., N.Y., remains the agency of record for the $2.9 million account, which includes Aveeno cleansing bars and bath products, Pentrax medicated shampoo, Rhuli antiseptics and anti-itch products for treatment of skin irritation.

Rydelle also set up a joint venture with Lion Corp., one of Japan's largest consumer product companies, to market oral-care products in the U.S. and Canada. Rydelle initially is distributing Lion's Zact, a smoker's toothpaste.

The over-the-counter drug division in early 1985 also introduced Fiberall laxative wafers, a line extension to its Fiberall sugar-free, high-fiber laxative powder. Fiberall has carved out an estimated 10% share of the bulk laxative market and 3.4% of the total market, according to the latest readings, says Johnson. The laxative category is worth an estimated $380 million, according to Charles Kline & Co. Laurence, Charles & Free, New York, handles the estimated $7 million ad account.

Despite Johnson's new emphasis on its personal care and otc divisions, the company also breathed new life into its Home Care group by introducing in March, 1985, Duster Plus, a wax-free dusting and cleaning aid.

Johnson's Pledge furniture wax continued leading the home care division in measured media spending of $5.2 million, down 20% from 1983. Pledge commands a 37% case share of the $141 million household polish market, down three share points from 1983. The company has a 49% case share of the total category, according to Charles Kline & Co. Favor, holding less than a 7% share, received $365,000 in measured media spending, while Complete, with an estimated 2.0% share, received no measured media support.

Glade Spinfresh air freshener bathroom tissue holder has a 6% case share, down one share point from 1984, of the $222 million (manufacturer's level) air freshener segment. Spinfresh received $1.7 million in measured media spending, down 43% from $3 million spent in 1983. Glade aerosol spray, holding a 21% share, received $665,000 in measured spending.

Johnson in late 1984 introduced Glade Fabric Fresh dry aerosol air freshener in Spring Green and Ultrafresh scents. The introduction was supported by an estimated $1.7 million print and tv campaign via JWT.

The company reformulated Shout prewash laundry soil and stain remover, which continues holding a 31% case market share of the $139 million (manufacturer's level) category. Shout, the No. 2 brand behind Dow Chemical's Texize division's Spray 'n Wash, held measured media spending even at $3.1 million. Among Johnson's floor care products, Future liquid floor finish and Brite liquid floor finish received the most in measured media spending, with $2.1 million each. Clean 'n Clear, an all-purpose cleaner introduced in January, 1983, received almost no measured media support, dropping 88% to $836,300.

Of the declining $108 million floor care category, Johnson continues holding a 55% share, with Johnson's Future, a 34% share, and Brite, 12%, leading the company's entries in that category. Johnson's Glo-Coat received modest media expenditures of $1,800, down 72% from 1983, while Step Saver, a one-step liquid floor wax, received $656,600, a 65% drop, mainly spent in magazines.

In addition to its skincare activities, Northern Laboratories introduced two J/Wax automotive products—Sleek Ultimate Performance car wax (liquid and paste) and Kit car wash concentrate. Its companion Kit liquid car wax was restaged with a new formula that removes film and grime. Johnson spent $253,000 in measured media spending on its J/Wax car care products in magazines and spot tv.

The subsidiary also introduced Capri Moisture Rich bubbling bath foam in November, 1984. The collagen-based product moisturizes skin. The Capri bubbling bath oil line was restaged also in November, with new packaging and an improved, emollient-enriched formula to soften and moisturize skin.

In October, Northern Labs switched its accounts to Zwiren & Wagner, Chicago, from G.M. Feldman, Chicago. In addition to the J/Wax and Capri product lines, the account includes advertising for Hot-Shots, a new hand warmer, receiving $69,200 in measured media media, and Goddard household cleaners.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	636	2,340
Magazines	12,017	11,967
Network cable	256	119
Spot tv	5,206	6,020
Network tv	21,782	40,717
Spot radio	3,654	551
Network radio	2,708	2,526
Total measured	46,260	64,241
Total unmeasured	43,740	22,883
Estimated total	90,000	87,123

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Racine, Wis. 534u3
(414) 631-2000
Marketing Personnel

S.A. Preston, exec vp
D.C. Henry, vp-sales
N.R. Nottleson, vp-mktg & financial services
H.A. Suess, vp-genl mgr-home care
R.E. Posey, vp-genl mgr-insect control
C.J. Goldthwaite Jr., vp-genl mgr-personal care
A.B. Priemer, dir-media & consumer relations
P.J. Grieger, pr mgr
New prod devel mgrs: R.D. Perry, J.M. Hutterly
Category mgrs: K.H. Smith, H.B. Beighley, S.E. Johnson, C.L. Colman, R.L. Ziegenhagen, W.C. Thomson, J.F. Bleharski
Product mgrs: S.S. Liguori, D.L. May, J.R. Charles, S.L. Lieberman, D.M. Eade, R.K. Saligram, P.J. O'Brien, K.C. Murray, R.G. Starr, L.G. Krueger, C.F. Allison, P.P. Scalera, M.E. Leopold, O. Thourault, F.C. Chud, P.E. Peterson, G.T. Schutz, N. Comstock, J. Fernandez, R.G. Beller, G.R. Latz, R.C. Howard, J.G. Mullen, D.A. Callewaert, R.L. Caulk

Advertising Agencies

Foote, Cone & Belding, Chicago—Soft Sense, Raid, Off!, Future, Brite, Shout, Duster Plus—P. Vernon, senior vp-group acct dir.

J. Walter Thompson USA, Chicago—Pledge, Favor, Step Saver, Clean 'N Clear, Halsa, Complete, Glade aerosol, Glade Spinfresh, Edge, Agree, Enhance—J. Furr, senior vp-group acct dir.

JOHNSON WAX ASSOCIATES
Marketing Personnel

T.S. Malone, exec vp
W.O. Herbst, mgr-special mkts
F.J. Herre, president-genl mgr, Worldwide Under Sea Industries Inc.
A.S. Getz, president-genl mgr-Johnson Creative Arts
J.R. Reyen, president-genl mgr-Johnson Camping Inc.
J.J. Blass, genl mgr-Old Town Canoe
W.R. Tenney, president-genl mgr-Johnson Fishing Inc.
D.D. Drab, president-genl mgr-Porelon Inc.

WORLDWIDE INNOCHEM OPERATIONS
Marketing Personnel

R.M. Carpenter, exec vp
J.C. Moll, vp-commercial mkts group U.S.
W.J. Freund, dir-global specialty chemicals
G.L. Konarske, dir-mktg
J.O. Scherer, dir-prod mgmt

INTERNATIONAL CONSUMER PRODUCTS
Marketing Personnel

L.R. Peterson, exec vp
W.D. George, exec vp-consumer prod-Europe/Africa/Near East
M.B. Miller, vp-regional dir-consumer prod, Africa/Near East
J.D. Crabb, vp-regional dir-consumer prod, Pacific/Far East
W.D. Perez, vp-regional dir-consumer prod, Americas

NORTHERN LABORATORIES
Manitowoc, Wis.
Marketing Personnel

Neil Weingarth, vp-genl mgr
J.R. Jones, personnel mgr
Charles Garvey, dir-natl sales & mktg

Advertising Agency

Zwiren & Wagner, Chicago—personal care prod, home car prod, automotive care prod—Mary Koelle, acct super, home prod; Gail Sandberg, acct exec, home prod; Bill Scott, acct super, automotive; Bill Furlong, acct exec, automotive.

RYDELLE LABORATORIES
Racine, Wis.
Marketing Personnel

James F. Keane, president-genl mgr
Rebecca M. Pike, mktg mgr
Lawrence Behringer, dir sales

Advertising Agency

(In-house).

COOPER DERMATOLOGICAL LABORATORIES
Palo Alto, Cal.
Marketing Personnel

Mike Mullaly, adv mgr
Rebbecca Stern, vp-mktg

Advertising Agency

Marschalk Co., New York—Aveeno cleansing bars & bath prod, Rhuli antiseptics & anti-itch prod—Kenneth Roffe, exec vp; Peter Detels, mgmt service dir.

A beginning for bikers

American Honda Motor Co. began 25 years ago in a small storefront office on Pico Blvd. in Los Angeles. During the first year, it produced only six motorcycle models and had eight employes. The odds against the company were high; after all, Americans at that time thought little of motorcycles—or the people who rode them.

RANK
35

Kellogg Co.

Battle Creek, Mich.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	2,602	2,381	9.3
Net income	251	243	3.2
U.S.			
Sales	1,790	1,560	14.7
Operating profits	194	171	14.2
Advertising	209	179	16.8

Still battling back from a slip in market share in the early 1980s, Battle Creek, Mich.-based Kellogg Co. increased its advertising in the U.S. 16.8% to an estimated $208.8 million, making the company the 35th largest national advertiser.

Worldwide, the company spent $261 million on advertising in 1984, and will increase that 20% to about $313 million during 1985, says Kellogg chairman William LaMothe.

Kellogg's 1984 earnings rose 3.2% to a record $250.5 million on sales of $2.6 billion, up 9.3% from 1983. For the first half of fiscal 1985, Kellogg reported a 2.7% increase in net earnings to $133.3 million on sales of $1.42 billion, up 10%. Kellogg does about 30% of its business outside the U.S., making the company vulnerable to foreign exchange rate fluctuations resulting from a strong dollar.

Kellogg continued to cement its lead position in the domestic cereal business, regaining the market share it lost between 1980 and 1982, when its share hit an all-time low of 35%. Generic and private label copies of old-line Kellogg favorites abounded then.

Kellogg's share in the $4.1 billion U.S. ready-to-eat cereal market is now 42.5%, up from 37.8% last year, according to analysts. Growth came from steady volume gains averaging 12.5% across the board for Kellogg brands and timely new product introductions. Only Kellogg's flagship Corn Flakes sales remained relatively flat.

The company's pound volume grew faster last year than the cereal industry as a whole. Kellogg's pound volume jumped 10% while pound volume for the industry only gained 3%.

Kellogg's nearest competitors, General Mills and General Foods, reported mediocre years. General Mills' share remained stable at 20%, while General Foods lost ground to 14% from 16% in 1983.

Despite industry analysts' predictions, Kellogg doesn't see an end to growth in the domestic cereal market, Mr. LaMothe says. The U.S. rte (ready to eat) cereal market's expected growth of 3% to 4% a year is good enough for Kellogg, which said it expects its own cereal volume to grow between 7% and 11% in 1985.

In measured advertising, Kellogg spent $176.5 million in nine media, up 47.7% from 1983. Once again, Kellogg relied heavily on spot and network tv advertising to keep its brand identities strong. The company's network tv budget jumped 75.4% in 1984 to $128.0 million, and its spot tv spending shot up 68.8% to $40.6 million. Kellogg's magazine spending fell 70% to $1.9 million.

Keeping its tradition of successful new product introductions, Kellogg added Apple Raisin Crisp to its line in April, 1984, backed by a $16 million to $20 million ad campaign. Measured media totals for its abbreviated intro year was $7.6 million, all in network and spot tv. The company added Kellogg's Raisin Squares in August, 1984, and added peaches to Kellogg's Fruitful Bran, originally introduced in the fall of 1983. Fruitful Bran was one of the company's big spenders in measured media, with $10.7 million, all in network and spot tv.

Thus far in 1985, the company sounded a winner with Kellogg's OJ's, introduced in March. The presweetened corn, wheat and oat cereal also

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Already this year, Kellogg is the growth leader in the cereal segment with 12% volume growth in February and March, according to A.C. Nielsen Co. data.

General Foods' volume was down 8% in the period; General Mills', down 2%; Quaker Oats, down 10%; Nabisco, down 1%, and Ralston Purina, down 12%.

To keep momentum, Kellogg's 1985 ad plans include promotional tie-ins with the singing Jacksons, the Statue of Liberty and M&M's candies for Kellogg's "big four" cereals: Corn Flakes, Raisin Bran, Rice Krispies and Frosted Flakes. Those brands are handled by Leo Burnett USA, Chicago.

Kellogg kept up with America's health kick in an October tv and print campaign for its All-Bran cereal. The ads quoted National Cancer Institute findings that a high-fiber, low-fat diet may reduce the risk of some cancers.

The ads have continued to run despite Food & Drug Administration scrutiny. The FDA is working on new package labeling guidelines that would encompass food products that make health claims.

General Mills recently introduced Fiber One, with 12 grams of fiber per serving rather than All-Bran's nine grams per serving. General Mills also quotes the NCI data.

Meanwhile, Kellogg has been testing Extra Fiber All-Bran, now with 12 grams of fiber. Ads for the new product downplay the NCI data while highlighting the cereal's high-fiber, low-sugar content.

With its upstate New York factory complete, Kellogg has expanded distribution of its Whitney's yogurt. Kellogg also began regional distribution of its Rice Krispies Bars, a granola-type bar it had been working on since early 1984.

Whitney's was first expanded from its original Baltimore/Washington and New York City markets into San Francisco and northern California in January, 1985. By mid-May, Whitney's was in Chicago and upstate New York. Entry into Florida was set for mid-July. The yogurt pulled in $1.4 million in measured spending in 1984, mostly in spot tv, up 50.7% in spending for a more restricted area of coverage the previous year.

In April, 1985, Kellogg began regional distribution of its granola bar entry—Rice Krispies Bar. The bar pits Kellogg against familiar cereal category rivals including Quaker Oats Co. and General Mills.

Quaker Oats has gained a 40% share in the $400 million granola bar market. Running a close second is General Mills' Nature Valley granola bar line.

Especially strong sales of Kellogg's Mrs. Smith's Natural Juice and Lattice Crust pies, introduced in June, 1984, pushed that unit's market share to 52% of the frozen pie market last year, the company says.

Kellogg's Eggo unit's market share jumped 8 percentage points in 1984 to 35%. This year, Eggo added Nutri-Grain frozen waffles made from whole grains for the health-conscious. The name was taken from Kellogg's Nutri-Grain cereal.

In September, Kellogg's Salada Tea unit introduced naturally caffeine-reduced tea in bags in New England, New York, Pennsylvania and Ohio. Leo Burnett USA, Chicago, handles.

Kellogg is currently analyzing its international operations to see where potential for long-term growth is greatest. In 1984, 46% of Kellogg's assets were abroad, but international operations accounted for only 22% of operating profits. Profits fell 23% abroad while sales there fell 1% for the year. Domestic profits and sales increased 14% and 15%, respectively.

Capital improvements cut deeply into foreign earnings, especially the $229 million Kellogg spent boosting production capacity, including more than $150 million spent at its London, Ontario, plant in Canada, the company says. Another $250 million in capital improvements is set for 1985.

International raw material prices (excluding grain) rose last year, also cutting into profits, Kellogg says. Drops in noncereal volume, especially from the sale of NeoCitran cold remedy in Canada, also hurt foreign earnings.

Additionally, Kellogg has added former Ford Motor chairman Philip Caldwell and G.D. Searle & Co. chairman-ceo Donald Rumsfeld to its board, hoping to benefit from their "strong international marketing experience," Mr. LaMothe says.

In 1984, Kellogg introduced Kellogg's Start in the U.K., Kellogg's Extra in Belgium and France, Mueslix in West Germany, Honey Nut Corn Flakes and Just Right in Australia, Marshmallow Krispies in Canada, Sky Corn Twists in Brazil and Genmai Flakes in Japan.

Analysts predict demographic factors will continue to look promising in the cereal market through the end of the decade as the number of children and young adults in both the U.S and abroad continues to grow and consumers' health concerns continue to make grain-based products a popular diet staple.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,978	3,258
Magazines	1,859	6,181
Network cable	3,594	2,462
Spot tv	40,641	34,130
Network tv	128,080	73,086
Spot radio	370	469
Outdoor	11	8
Total measured	176,533	119,504
Total unmeasured	32,267	59,264
Estimated total	208,800	178,768

KELLOGG U.S. FOOD PRODUCTS DIVISION
235 Porter St.
Battle Creek, Mich. 49016
(616) 966-2000
Marketing Personnel
M.D. Simpson, exec vp-sales & mktg
W.T. Lambert, vp-sales
W.H. Weintraub, vp-mktg-cereal
K.C. Smith, dir-mktg services
Advertising Agencies

Leo Burnett USA, Chicago—cereals, toaster pastries—W. Lynch, vice chmn; J. Jenness, senior vp; B. Whitman, vp-acct dir; G. Singer, T. O'Day, A. Roehl, acct supers; R. Remick, P. Picard, D. Fletcher, R. Paluta, L. Paul, G. Adilman, E. Callison, A. Kramer, acct execs.

Vince Cullers Advertising, Chicago—Black mktg—V. Cullers, president.

J. Walter Thompson USA, Chicago—cereals—J. Tukey, senior vp-group acct dir; Matt Kurz, vp-acct dir; Barry Soloff, vp-senior acct super; G. Lange, vp-senior acct super; P. Muldoon, acct super; D. Sciafani, M. Lans, E. Clark, K. Kaplan, acct reps.

U.S. SUBSIDIARIES
Marketing Personnel
A.G. Langbo, president
MRS. SMITH'S FROZEN FOODS CO.
Pottstown, Pa.
Marketing Personnel
A.G. Langbo, president
J.J. Feeney, exec vp-admin
J. MacDonald, eastern zone mgr
P. Bartos, western zone mgr
SALADA FOODS
Little Falls, N.Y.
R.J. Lievense, president
E.F. Kline, senior vp-mktg & sales
WHITNEY'S FOODS
Battle Creek, Mich.
Marketing Personnel
M.L. Wolfe, president
Advertising Agency

Leo Burnett USA, Chicago—teas, pies, waffles, yogurt—D. Collins, acct dir; B. Key, acct super; S. Braudo, A. McBeth, A. Chichester, acct execs.

FEARN INTERNATIONAL
Franklin Park, Ill.
Marketing Personnel
D.E. Thompson, president
E.K. Jorgenson, senior vp-sales & mktg
Advertising Agency

West, Morris, Davis & Munder—Rockford, Ill.—Percy J. Muender, vp.

Kimberly-Clark Corp.

RANK 87

Neenah, Wis.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	3,616	3,274	10.4
Net income	225	189	19.2
U.S.			
Sales	2,655	2,326	14.2
Operating profits	316	271	16.5
Advertising	80	78	2.5
Division sales			
Disposable paper	2,735	2,464	11.0
Newsprint	845	795	6.3
Aircraft/furnishing	97	75	28.9

Kimberly-Clark Corp., Neenah, Wis., the 87th largest advertiser in the U.S., spent an estimated $80 million in advertising, up 2.5% from 1983.

Sales increased 10.4% to $3.62 billion in 1984. Net income rose 19.2% to $225 million. After two years of posting lower earnings, K-C made a strong earnings comeback, primarily on the continued success of its Huggies premium disposable diapers.

The company says larger unit sales volumes and higher prices for consumer products in the U.S. were major contributors to K-C's improved results in 1984. The larger unit volumes accounted for about two-thirds of the gain in sales.

U.S. operations provided K-C with sales of $2.66 billion, or 73.4% of total sales, and net income of $170.5 million, or 79.6% of total net income.

The company's sales and earnings momentum carried through into the first half of 1985, with sales up 12% to a record $2 billion from $1.79 billion in the same period of the previous year. Earnings increased 26.5% to $151.2 million. Again, the company attributed the earnings gain to strong unit growth of disposable diapers in the U.S.

In the last quarter of 1984, the company divided its products into three classes. Class I includes household and institutional tissues; feminine, infant and incontinence care products; industrial and commercial wipers; hospital and home healthcare products and related products. Class II includes premium business and correspondence papers, tobacco industry papers and products, newsprint and other printing papers, technical and specialty papers and related products. Class III includes aircraft services, air and truck transportation and other miscellaneous products and services.

The largest group, Class I, accounted for $2.73 billion in sales, or 74.4% of combined class sales in 1984, up from 73.9% of the total in 1983. The class again had strong volume sales for most of its products. Operating profit for Class I in 1984 was a record $262.6 million, or 63.5% of combined class operating profit, up 19% for the year, with volume gains particularly strong for Kleenex facial tissues and Huggies disposable diapers.

Class II accounted for 23% of K-C's sales, while operating profit rose 18.4% to a record $139.2 million in 1984. Newsprint operations provided the largest portion of the gain through a combination of higher product prices, high-capacity mill operations and moderately higher unit volume.

In Class III, an outgrowth of the company's air fleet is the one-year-old Midwest Express, which received $5,600 in measured media spending in 1984. The business-class airline was founded in the summer of 1984 to fill the gap left by Republic Airlines when it skuttled its Milwaukee-Atlanta run. Other markets were subsequently added. The airline suffered a setback earlier this month when one of its three planes crashed near Milwaukee killing all 31 aboard.

The consumer division, which receives virtually all of K-C's ad dollars, devoted most attention in 1984 to marketing Huggies disposable diapers. In the U.S., unit volume growth of the disposable diaper provided more than half of the 14% increase in combined sales, more than offsetting the effect of lower unit sales of feminine care products due to intense competition.

In the $2.8 billion disposable diaper market, K-C grabbed an estimated 32% share, according to George Adler, a paper products analyst with Smith Barney of New York. Huggies quickly outpaced sales of rival Procter & Gamble's Pampers disposable diapers, which currently holds a 30% share. Huggies overtook P&G's Luvs brand, currently holding a 20% share. However, P&G's combined 50% still leads K-C. K-C continued to upgrade Huggies, launching in mid-1985 Huggies Extra Absorbent Medium 40s. Mr. Adler calls the new Huggies "a front-loaded diaper," containing a cellulose crotch insert panel as well as an elasticized gathered waistband.

Ad spending for Huggies rose again in 1984 to $24.8 million, an increase of 31% over 1983. The bulk of the measured media spending went to network tv, with additional magazine and spot tv support, according to Leading National Advertisers, which monitors six major media.

"K-C has the momentum since consumer loyalties have switched from Pampers to Huggies. It remains to be seen whether K-C can stand up to P&G's diaper steamroller," Mr. Adler says, referring to P&G's new improved Pampers currently being distributed nationally.

For feminine hygiene products, K-C continued its ad support of the New Freedom line, spending $17.1 million in measured media, up 9.3% over 1983. However, K-C faced intense competition as P&G launched nationally its Always line of feminine protection products. K-C currently holds an estimated 26.7% share, split between New Freedom and Kotex, in the $1.5 billion category. P&G's Always, supported by a $100 million introductory budget, holds an estimated 18%, according to Mr. Adler.

Mr. Adler says K-C was wise to pull back from the promotion wars for feminine hygiene products waged by Johnson & Johnson and P&G, "waiting instead for P&G to end its introductory year spending." K-C's Kotex, its economy-priced feminine protection line, received $6.7 million in measured media spending, down 19% from $8.3 million in 1983.

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The company added a new Kotex thin supermaxi and regular maxipad to the line to better position the brand against other "thin" pad marketers. Ads themed, "The sensible choice," ran in magazines and in tv spots.

Ad spending on K-C's Kleenex facial tissues was $10.3 million, up 22.6% over spending for the brand in 1983. Kleenex Softique tissues continued to receive the lion's share of measured media spending, $5 million, up 16% from 1983. An animated, sore "Runny Nose" character was introduced via Foote, Cone & Belding, in what K-C hopes will be a long-running campaign.

American Greetings Corp. and K-C joined forces to market the Care Bears collection of Kleenex brand tissues. The rainbow-colored tissues are packed in boxes with Care Bears graphics, which can be cut out and made into badges, mobiles or clips.

K-C in late 1984 began testing Avert virucidal tissues in two upstate New York markets, supported by $294,000 in measured media spending. The three-layer tissues were treated with citric acid, malic acid and sodium lauryl sulfate, substances K-C says are effective in preventing the spread of cold germs.

In mid-1985, K-C withdrew the tissues from retail shelves for further research and development.

With all its Kleenex brand tissues, K-C controls 50% of the $1 billion facial tissue category.

K-C's economy priced Hi Dri paper towels received $172,000 in measured media spending, up 160% from $66,000 in 1983.

Measured media support for K-C's Depend line of incontinence products rose 81.2% to $5.8 million, the majority placed in network and spot tv commercials.

The brand's competition comes from Procter & Gamble's Attends line. While P&G is concentrating on attracting the institutional incontinent market, K-C is positioning Depend for the general consumer market. Depend holds an 8% share of the $250 million consumer market, with P&G holding a 52% share, according to Smith Barney's Mr. Adler.

Late in 1984, K-C chairman Darwin Smith announced the company had formed an office of the chairman consisting of himself and three vice-chairmen. Joining Mr. Smith in this restructuring, which took effect Jan. 1, were Robert C. Ernest, currently president of Kimberly-Clark; Marvin F. Gade, vice-chairman, and Donald R. Hibbert, senior exec vp-chief financial officer.

Mr. Hibbert continues as chief financial officer. Mr. Ernest is the senior corporate officer at K-C's Neenah headquarters, and Mr. Gade is in charge of operations at the company's Roswell, Ga., offices.

At the same time, K-C also is moving its main headquarters to Irving, Tex., a suburb of Dallas. Mr. Smith, along with about 50 employes, will be based there.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	463	3,069
Magazines	8,728	11,139
Network cable	501	560
Spot tv	9,572	13,308
Network tv	47,148	30,683
Spot radio	143	24
Outdoor	6	0
Total measured	66,560	58,583
Total unmeasured	13,440	19,437
Estimated total	80,000	78,020

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Personal Care Sector

T.L. Dahl, president
R.F. Auchter, vp-infant care
T.A. Newby Jr., vp-feminine care
G.J. Ker Jr., dir-adv services

Health Care Sector

P.S. Geisler, vp-home health care
J.S. Metz, vp-hospital business unit sales & mktg
J.S. Sumner Jr., vp-geriatric care business unit
R.D. Carter, vp-medical & nonwoven fabrics
R.F. Rieter, vp-new business

Spenco Medical Center

W.R. Spence, M.D., chmn of the board & ceo
H.J. Beloin, Jr., president

Household Products Sector

J.D. Bernd, president
R.C. Van Driest, vp-consumer tissue business
R.S. Fountaine, vp-U.S. mktg rsch

Service & Industrial Sector

G.A. Zins, president

New Business Development

W.M. Heran, vp

Paper Sector

J.G. Grosklaus, president-technical paper & specialty prod
R. Plaut, Jr., vp-technical paper & specialty prod business
J.S. Rauach, vp-genl mgr, technical papers
J.E. Carter, genl mgr, specialty prod
R.W. Kohl, president, Karolton Envelope
J.O. Skagen, president, Neenah Paper

North American Pulp & Newsprint Sector

J.T. McCauley, president
S.B. Pinkerton, president, U.S. Pulp & Newsprint

Advertising Agencies

Campbell-Mithun, Minneapolis—Depend incontinence prod, new prod—M. Berach, mgmt super.

Cargill, Wilson & Acree, Atlanta—envelopes—Bob Cargill, acct super.

Carillon Advertising, West Dillon, Ohio—gummed papers—Mario Smiraldo, president.

Foote, Cone & Belding, Chicago—Kleenex & Softique facial tissues, roll prod, table napkins—D.W. Fox, group mgmt super

Kamstra Communications, St. Paul, Minn.—writing & printing papers—John Warner, acct super.

M.E.D. Communications, Woodbridge, N.J.—professional healthcare prod—Lew Savarese, acct super.

Oglivy & Mather, New York—Huggies diapers, New Freedom feminine care prod, Kotex feminine care prod—C.N. Angers, group dir.

Some foreign and/or private companies do not divulge sales or income figures. Where estimates could not be obtained, N/As appear in charts and the boxed information preceding each profile to indicate "not available."

K mart Corp.

RANK
9

Troy, Mich.

($ figures — 000,000)

Worldwide	1984	1983	% chg
Sales	21,096	18,598	13.4
Net income	499	492	1.4
U.S.			
Sales	20,329	17,786	14.3
Operating profits	N/A	N/A	N/A
Advertising	554	400	38.6

K mart Corp., Troy, Mich., the nation's No. 2 retailer in sales volume, increased its advertising 38.6% to an estimated $554.4 million in 1984, making K mart the 9th largest national advertiser.

Ad spending was bolstered by a $20 million Olympics tv campaign that emphasized an upgraded image and also by an effort to raise customer awareness of new merchandise choices, including national brand name goods.

K mart's net income in fiscal 1984, which ended Jan. 23, 1985, was $499.1 million, an increase of 1.4% over 1983. Total sales were $21.1 billion, up 13.4% over the previous year.

The retailer's strategy for growth is twofold, involving both a diversification into new retailing ventures and attracting bigger-spending customers to K mart stores.

That strategy is cutting deeply into earnings as well. In the first six months of the current fiscal year, K mart net income decreased 34.2% to $133.3 million on sales of $10.44 billion, up 13.2% from the corresponding period a year earlier. The problem has been a slower-than-expected movement of both high margin, upscale merchandise and interest payments relating to K mart acquisitions. Interest paid in the first six months was $92.6 million, for example, compared with payments

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of only $23.7 million in the corresponding six-month period in 1984.

Analyst Jeffrey Edelman of Dean Witter Reynolds, New York, says the results indicate consumers have been slow to buy the new upscale image. "So far it [upscale image] has not worked, at least on the surface. Earnings are down because sales are down." In the second quarter, for example, sales in comparable K mart stores open a full year declined 1.5% from the same period in 1984. Mr. Edelman calls the interest expenses from acquisitions "a minor negative." The acquisitions "will probably work out in the long run," he says.

Diversification was accomplished largely through a $900 million buying binge in 1984 and into early 1985, as K mart acquired specialty retailers Waldenbooks, Builders Square (formerly Home Centers of America) and Pay Less Drug Stores Northwest.

The retailer that coined "blue light specials" set out to woo upscale shoppers by offering more name brands, a larger assortment of higher-price merchandise and a more contemporary presentation of its goods.

One result of offering more name brands is that K mart boosted co-op ad spending from $24.6 million in 1983 to $90.4 million in 1984 to promote availability of brand name goods. Co-op spending, newspaper inserts, direct mail and point-of-purchase are among the unmeasured media ad expenditures that have boosted K mart ad spending far beyond the $80 million the company spent in the nine monitored media in this issue. That measured total was an increase of 60.7% from the previous year.

K mart is going after new customers while trying to keep its strength with its traditionally price-conscious shoppers. "While our objective was to reposition our assortments of merchandise, it was always with the understanding that this would not affect our reputation for offering good retail prices," chairman Bernard Fauber says.

K mart in 1984 decided to restrict its interest in acquisitions to retailing. It has looked for prospects in segments with high growth potential and then narrowed its choices to companies with a management team that would commit to remain at the helm of the business as an operating subsidiary. The strategy was based on a belief that acquisition was a fast and effective way of diversifying.

Before 1984, K mart's acquisitions were limited to two regional cafeteria chains, Furr's Cafeterias and Bishop Buffets, purchased in 1980 and 1983, respectively.

K mart acquired Walden Books Co., the nation's largest U.S. retailer of books, in August, 1984, for $300 million in cash. There were 898 Waldenbooks stores at yearend, and K mart intends to add 70 units a year for five years in both shopping centers and free-standing locations, along with the expansion of Builders Square.

Builders Square, formerly Home Centers of America, was taken over in September, 1984, for $88.2 million in cash. Builders Square operates warehouse home centers that cater to do-it-yourselfers and small building contractors. There were 15 centers at the end of 1984; K mart intends to add 50 by 1986 and to reach 100 by 1987.

A retail drugstore chain, Pay Less Drug Stores Northwest, with 164 units, became a wholly owned subsidiary of K Mart Corp. in March, 1985, in a transaction estimated at $500 million. K mart intends to add 30 units this year.

In addition, K mart has its homegrown Designer Depot, a 51-unit, off-price apparel chain started in 1982. It operates Accents, a Birmingham, Mich., outlet for top-quality home accessories.

K mart's 2,400 general merchandise stores accounted for more than 95% of the company's total sales in 1984, but specialty retail stores are targeted to provide 15% of the company's projected $40 billion in sales in 1990.

Diversification also is going on inside the general merchandise stores, with K mart adding a range of insurance and financial centers.

Insurance centers, offering life, health, home and auto insurance and individual retirement accounts, were operating in 118 stores at the end of the year, with 29 of them allowing customers to apply for certificates of deposit and money-market accounts.

Meanwhile, the company is testing a wider variety of financial services, including discount brokerages, real estate services, consumer lending and mortgage financing, with an eye toward eventually mixing and matching programs nationally, based on demand and regulatory climate.

K mart in 1984 continued its program of giving its self-described "piperack" stores a contemporary face lift. The K mart "Store of the '90s" makes each department more visually distinctive, giving branded merchandise more prominence than in the past.

National brand, higher-priced merchandise began to be featured in new departments such as Kitchen Korner, Home Care Centers and Home Electronic Centers. The most noticeable upgrading may have been in soft goods. In 1984, 18% of sales in family apparel came from national-brand products.

The emphasis on upgrading image continued with the August, 1985, launch of a Jaclyn Smith line of women's fall sportswear. The actress touted the line in tv and magazine ads, via the Ross Roy agency, Detroit. Ms. Smith's husband, Tony Richmond, directed the commercials, as he does her work for Max Factor.

Lines of Jaclyn Smith swimwear and lingerie are planned in 1986, as K mart uses Ms. Smith as a way to focus attention on its changed image, much the way No. 1 retailer Sears, Roebuck & Co. uses model Cheryl Tiegs as a spokeswoman.

K mart's 1984 Olympics campaign was part of its effort to reach an upscale audience. Network tv and print ads were tied to in-store promotions, a customer sweepstakes and promotions with outside companies to generate awareness of the retailer's sponsorship of ABC telecasts of the games.

After emphasizing that upscale image, K mart in early 1985 sought to reassure its traditional customers that its general merchandise stores were still centers of value. Effects included revival of "the savings place" theme line and downplaying the Olympics year theme of "we've got it good."

It also meant a tilt toward print and away from tv advertising until 1987, flat ad spending in 1985 with a final figure expected to come in at $590 million and a temporary loss in billings by Ross Roy, which handles broadcast and some magazine advertising. Media Momentum, the Troy, Mich.-based in-house agency, handles the bulk of K mart print advertising creative, particularly rotogravure newspaper inserts.

K mart in December, 1984, announced a major restructuring of its organization, partly as a reflection of its diversification and partly to groom managers for the 1990s.

Board chairman Bernard Fauber appointed three executives to head the company's three operating units, K mart stores, specialty retailing and administration, with each of them to report directly to Mr. Fauber.

Norman Milley, who had been exec vp-merchandising and subsidiaries, filled the new position of group president for the K mart stores, the bread-and-butter division. Frederick Stevens was named to continue as exec vp-specialty retailing, which gained in importance as a result of diversification moves. Joseph R. Thomas filled the new post of exec vp-chief administrative officer.

Larry Parkin moved from chairman of the K mart apparel subsidiary to exec vp, K mart stores, reporting to Mr. Milley.

President-chief operating officer Samuel Leftwich became vice-chairman of the corporation. The post of president was replaced by the group president title, filled by Mr. Milley, and the ceo title was eliminated. Grant Morck moved from exec vp-store operations to exec vp-new concepts implementation, to assist Mr. Leftwich.

Michael Wellman, who had been director of planning and research, received the new post of vp-corporate planning.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	16,791	11,039
Network cable	452	52
Spot tv	13,372	10,051
Network tv	42,088	23,539
Spot radio	6,512	4,867
Network radio	490	0
Outdoor	238	204
Total measured	79,945	49,752
Total unmeasured	474,455	350,300
Estimated total	554,400	400,052

K MART CORP.
3100 W. Big Beaver Rd.
Troy, Mich. 48084
(313) 643-1000
Marketing Personnel

T.H. Nigolian, senior vp-sales & genl merch mgr
J.L. Moser, vp-mktg & sales promo
R.R. Dejaeghere, vp-mktg
G.K. Habeck, dir-adv
E.J. Kreitz, dir-mktg
R.G. Boone, K mart adv mgr
R.F. Larkin, budget systems mgr
M.W. Moors, adv mgr-roto distribution & broadcast media

Advertising Agencies

Media Momentum (in-house), Troy, Mich.—print adv for K mart div, print for Designer Depot div—M.R. McClure, dir.

Ross Roy Inc., Detroit—print adv, broadcast media for K mart, U.S.A., K mart Ltd., Canada, Furr's Cafeteria div—Peter C. Vetowich, senior vp-acct mgr; B.K. Schaffer, R.F. Sherman, acct supers.

Levi Strauss & Co.

RANK 67

San Francisco

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	2,514	2,731	-8.0
Net income	41	195	78.7
U.S.			
Sales	1,912	2,019	-5.3
Operating profits	165	371	-55.5
Advertising	122	95	28.2
Division sales			
Jeans Co.	1,433	1,498	-4.3
Battery Street	485	529	-8.3
Levi Strauss Int'l	591	701	-12.6

Levi Strauss & Co., San Francisco, the nation's 67th largest advertiser in 1984 with estimated advertising of $122 million, up 28.2% from the prior year, was taken private on Aug. 30, 1985, in a $1.45 billion buyout led by Robert D. Haas, Levi Strauss's president and ceo.

Worldwide, Levi Strauss spent $152 million on advertising and promotion, up 27.7% from $119 million in 1983, says the company.

Worldwide ad spending this year is expected to fall to this year's U.S. level of $122 million, including cooperative programs, media and sales promotion, according to the company.

The leveraged buyout of 30 million common shares, financed by a group led by Wells Fargo and 10 other banks, returns ownership of the 134-year-old company to the families that are descendants of founder Levi Strauss. Mr. Haas is a great-great-grandnephew of the elder Strauss.

Levi Strauss & Co. had been public for only the past 14 years. It began selling common shares in 1971 to finance expanded manufacturing capability during the jeans craze. At the time of the buyout, it was 60% publicly owned.

But the fashion trends that made Levi Strauss a huge company have been waning in recent years. The apparel giant had boosted total measured ad spending 50% in 1984 to $55.2 million, in hopes of pumping new life into the sagging jeans category.

The spending increases were accounted for almost entirely by a 94% hike to $42 million in measured network tv promoting Levi's sponsorship of the 1984 Summer Olympics, and a huge campaign promoting its 501 jeans line. The company admits sales of Olympics-related products were not as strong as expected.

Examples of measured spending increases in 1984, according to Leading National Advertisers, include a 90% jump to $19 million in media for family sportswear, 1984's largest single category, divided largely between network tv (87%), and spot tv (7%). Measured media also jumped 105% in 1984 to $23.9 million for jeans advertising targeted at men, women and families.

Network tv accounted for 84% of the total for jeans.

Internal problems, however, overshadowed marketing moves in 1984. Net sales for the year ending Nov. 25 totaled $2.5 billion, down 8% for the year, while net income fell 78.7% to $41.4 million.

Sales for the first half of 1985 were $1.1 billion, down 5% from the same period in 1984. Net income in the first half of fiscal 1985, however, jumped 165% to $45.6 million.

The seemingly large net income jump, however, includes a 1984 expense of $24.5 million in business consolidation costs.

The huge differential between 1984 sales and earnings resulted from higher production costs from underutilized capacity, inventory adjustments and markdowns, and the expense of closing facilities, and other business consolidations.

Levi Strauss reduced production capacity 15% in 1984, closing 14 plants in the U.S. and five in international locations, which eliminated 5,000 jobs.

Levi also discontinued its Accessories division, with 1984 sales of $14 million, and sold Rainfair Inc., a $10 million producer of protective apparel. And the company streamlined its apparel offerings in 1984, reducing the breadth of its product range by more than 25%.

At the same time, Levi reorganized its corporate structure in October, 1984, shifting domestic operating units to enhance marketing of its core jeans products, and to more effectively support diversification into more fashion-sensitive businesses.

The former Levi Strauss USA division was renamed "The Jeans Company," and "Battery Street Enterprises," a unit formed late in 1983, was expanded with the transfer of men's and women's sportwear and all other nonjeans product lines.

A new business development unit in Battery Street Enterprises started a new company in January, 1985, with Perry Ellis, called Perry Ellis America, to manufacture and market a collection of men's, women's and children's active sportswear.

Battery Street Enterprises also established a joint marketing venture in March, 1985, with Andrew Fezza to market and license couture sportswear for men and women.

In a third business development, exclusive agreement was reached in March, 1985, to design, manufacture and market an Alexander Julian couture collection and the "Colours by Alexander Julian" line.

The structural realignment at Levi also caused significant shifts in top management.

Key changes include: Robert D. Haas was promoted from coo to president-ceo in April, 1984, following retirement of Robert T. Grohman; Thomas W. Tusher replaced Mr. Haas as senior vp-coo in October, 1984; Peter Thigpen, senior vp, was named president of "The Jeans Company"; Lee C. Smith replaced Mr. Tusher as president of Levi Strauss international, and was elected senior vp; Leo P. Isotalo, president of Battery Street Enterprises, was elected senior vp; and Thomas Kasten, a corporate vp and former president of the Jeanswear Division was appointed to head the corporation's new business development function.

Some foreign and/or private companies do not divulge sales or income figures. Where estimates could not be obtained, N/As appear in charts and the boxed information preceding each profile to indicate "not available."

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	100	0
Magazines	7,138	6,806
Network cable	1,520	1,466
Spot tv	3,992	5,367
Network tv	42,244	21,621
Spot radio	321	889
Network radio	23	197
Outdoor	9	269
Total measured	55,427	36,615
Total unmeasured	66,573	58,585
Estimated total	122,000	95,200

LEVI STRAUSS & CO.
Levi's Plaza
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P.O. Box 7215
San Francisco, Cal. 94120-6928
(415) 544-6000
Marketing Personnel

Thomas W. Tusher, exec vp-coo
Thomas W. Kasten, exec vp-new business
John Ankeny, corp mktg dir

THE JEANS COMPANY

Peter Thigpen, president
Peter Jacobi, exec vp-mktg & merch
John Frechette, vp-genl mgr-men's jeans
George Porter, vp-genl mgr-men's tops
Carl Von Buskirk, vp-genl mgr-women's jeans
William Oldenberg, vp-genl mgr-children's jeans
Jo Ann Flath, consumer mktg dir-men's jeans
Nancy McCready, consumer mktg dir-women's jeans
Julie Palley, consumer mktg dir-children's jeans

BATTERY STREET ENTERPRISE

Leo Isotalo, president
Steve Goldstein, consumer mktg dir-men's sportswear
Bob Alexander, adv mgr-women's sportswear

LEVI STRAUSS INTERNATIONAL

Lee Smith, president-Levis Strauss Intl
Jim Chriss, vp mktg-Levis Strauss Intl

Advertising Agencies

Foote, Cone & Belding, San Francisco-U.S. sales of Levi Strauss branded prod-Denny Wilkinson, senior vp-group mgmt super; Barbara Pauly, vp-mgmt super; Ted Block, mgmt super; Jack Jacobs, Marianne Michael, acct supers; Laurel Hollis, acct exec-501 jeans; Alan Jewett, acct exec-womenswear; Liz Levy, acct exec-men's & youthwear; Barry Breede, acct exec-jeanswear.

McCann-Erickson Worldwide, San Francisco—intl adv for all products in 22 countries—Stuart Davis, senior vp-worldwide coord.

Loews Corp.

RANK 56

New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	5,602	5,260	6.5
Net income	329	341	-3.7
Advertising	138	135	1.9
Division sales			
Prop./cas'lty ins.	2,254	1,950	15.6
Life insurance	1,473	1,320	11.6
Cigarets	1,431	1,490	-4.0
Hotels	157	217	-27.6
Theatres	80	70	11.9
Watches	148	152	-3.0
Investment	48	50	-3.2

Loews Corp., New York, the nation's 56th largest advertiser, lowered its ad spending 1.9% in 1984 to an estimated $137.9 million, as revenues rose 6.5% to $5.6 billion and net income declined 3.7% to $329.6 million.

Loews was engaged in five businesses in 1984, though that number was pared to four with the $165 million sale of its Loews theaters unit in the spring of 1985.

The movie theater unit, which operates 226 screens in six states, was sold to a group headed by A. Jerrold Perenchio, producer and former co-owner of Embassy Communications. The division accounted for $20.3 million in 1984 Loews revenues, or 1.4% of the corporate total. The theater chain was expected to add 40 new screens in 1985.

The remaining contributors to Loews operations are Lorillard Tobacco Co., Loews Hotels, CNA Financial Corp., an insurer, and Bulova Watch Co.

The company's CNA unit, including property-casualty and life insurance, accounted for $3.73 billion in revenues, or 66.5% of the corporate total. Lorillard Tobacco, maker of Kent, Newport and other cigaret brands, represented another 25.5% of corporate revenues.

In a stagnant tobacco market, Lorillard's revenues declined 3.9%, with unit sales down 9.9%. These contributed to a 1 point share decline, to 8.1%, in the unit's over-all share of the cigaret market, following a 1983 increase of 0.4% to 9.1%. Still, Lorillard remained in fourth place among cigaret makers behind Philip Morris Inc., R.J. Reynolds Industries and Brown & Williamson.

Lorillard's Newport brand nonetheless remained one of only two ongoing brands in the industry to report unit sales gains in 1984. (The other was Philip Morris' Marlboro). The Newport family—including all packaging and size formats—gained a 0.2 market share, rising to 3%, while sales volume increased 7.7%, to 18.12 billion units. In contrast, Newport claimed only a 1.9% market share in 1980. Newport ad spending in measured magazines and outdoor media was up 25%, to $18.9 million, via MCA Advertising, New York.

Lorillard in 1984 discontinued its nonmenthol Newport Red brand, distributed in about half the U.S., as sales plummeted to half their 1982 peak of 140 million units (AA, May 17, 1984).

Significant share declines threatened Kent's position as the No. 1 Lorillard brand. Though Kent still commanded a 3.2% share at yearend 1984—compared with 5.1% in 1980 and 3.9% in 1983—Newport remains close behind at 3%.

Kent unit sales were off 15.9% in 1984, to 19.62 billion units. The brand *family, including Kent, Kent III and* Kent Golden Lights, had 1984 measured ad spending of $14.6 million, down 32% from 1983.

True, which introduced a new lasercut filter in 1984, slipped to a 1.2% share of the market, down from 1.8% in 1980 and 1.4% in 1983, as unit sales fell 15.4%, to 7.05 billion cigarets. Measured ad spending for the brand, via Dancer Fitzgerald Sample, New York, was $12.2 million, down 15.7%.

Among all of the company's brands, Satin 100s—introduced in 1983—ranks as perhaps the biggest disappointment. It now commands only a 0.3% share compared with 0.5% in 1983. The company cut measured ad spending 35% to $14.7 million for the brand in 1984.

Other marginal brands and their respective market shares are Old Gold (0.3%), Max (0.1%) and Spring 100s, whose 40 million units don't show up in market share tallies. None were advertised in 1984, though Max, a 120mm cigaret, received $791,000 in 1983 measured ad support, according to Leading National Advertisers.

In a move to increase efficiency, Lorillard will shut down in early 1986 cigaret operations in Louisville, although little cigars and chewing tobacco will continue to be produced.

In addition to cigaret brands, Lorillard markets Beech-Nut, Big Red and Havana Blossom chewing tobaccos, which received combined ad support totaling $1.6 million in 1984, up 23%.

In the 10th year since Loews acquired a controlling interest in CNA Financial Corp., the unit blamed "severe profitability pressures" due to "unrealistic pricing" for the property-casualty division's weaker performance. Despite $2.25 billion in 1984 revenues, a 15.6% increase, net income from property-casualty insurance was $59.7 million, down 34% from 1983. The life insurance segment performed considerably better, with $1.47 billion in revenues representing an 11.6% gain and $66.2 million in net income, up 59%.

To spur performance, CNA has improved compensation for insurance agents, while equipping them with automated marketing and sales lead generators. It has increased ad spending 35%, to $4 million, and has introduced new Universal Life products and a new commercial insurance program.

In 1984, Loews Hotels opened two new Arizona properties and completed expansion of two others. The Loews Paradise Valley Resort opened in February, 1984, in Scottsdale, Ariz., while Loews Ventana Canyon Resort last December opened in Tucson. Completion of a $110 million renovation program at the Loews Anatole in Dallas made the 1,620-room hotel the "largest [hotel] in the Southwest," the company says. The Loews Regency in New York also completed the first phase of a $10 million program by constructing a new fitness center.

The division posted revenues of $156.7 million, up 27.8%, though net income plummeted 75%, to $12.5 million. (The 1983 results included one-time gains from sales of two international properties.) The unit spent a modest $550,000 on measured advertising.

The Bulova Watch division posted revenues of $147.7 million in 1984, a 3% gain, and produced its first profit in several years, earning net income of $11.7 million compared with losses of $8.4 million in 1983 and $17.4 million in 1982.

Competition and oversupply of watches and other timing devices have made price discounting a fact of life for the unit, which contributed 2.6% of Loews revenues. Bulova spent $2.6 million on advertising in spot tv and consumer magazines last year, about the same as in 1983.

The division introduced 172 new Bulova watches and 79 new timepieces in the Caravelle line in 1984. It also became the U.S. representative for the L'Epee line of French-made carriage clocks.

In other corporate developments, Loews earlier this year purchased 9.9% of CBS Inc. stock, then tendered its shares in a CBS stock buyback program aimed at thwarting a takeover move by Atlanta-based media mogul Ted Turner.

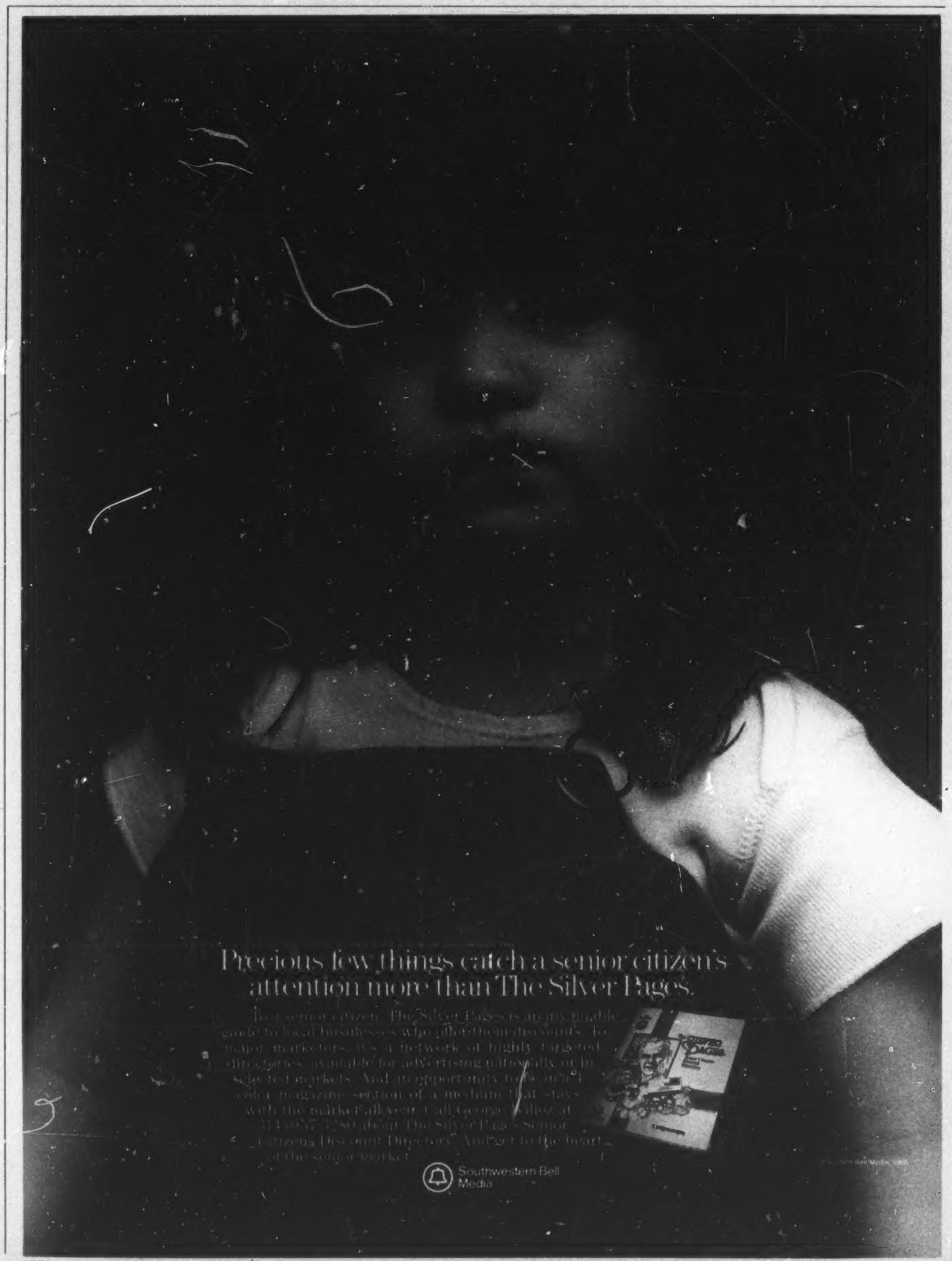
Some foreign and/or private companies do not divulge sales or income figures. Where estimates could not be obtained, N/As appear in charts and the boxed information preceding each profile to indicate "not available."

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	17,095	22,533
Magazines	49,255	45,250
Network cable	154	278
Spot tv	2,417	1,277
Network tv	0	1,795
Spot radio	0	156
Outdoor	28,647	37,104
Total measured	97,567	108,393
Total unmeasured	40,333	27,000
Estimated total	137,900	135,393

LOEWS CORP.
666 Fifth Ave.
New York, N.Y. 10103
(212) 841-1000

LORILLARD DIVISION
Marketing Personnel
J.R. Ave, president
R.H. Orcutt, senior vp-sales


Precious few things catch a senior citizen's attention more than The Silver Pages.

To a senior citizen, The Silver Pages is an invaluable guide to local businesses who offer them discounts. To major marketers, it's a network of highly targeted directories, available for advertising nationally or in selected markets. And an opportunity to be in a 4-color magazine section of a medium that stays with the market all year. Call George [illegible] at [illegible] about The Silver Pages Senior Citizens Discount Directory. And get to the heart of the senior market.

Southwestern Bell Media

T.H. Mau, senior vp-adv & brand mgmt
S.R. Ridgway, vp-pr
J.P. Mastandrea, vp-sales
L. Gordon, vp-trade devel
G.R. Telford, group brand dir
C.W. Toti, dir-mktg services
M.K. Capra, dir-mktg devel
W. Sands, media dir
P.A. Lawless, sales promo dir
S.T. Jones, mktg research dir
R.D. Hammer, E.M. Kiernan, A. Pasheluk, senior brand mgrs
K. Curren, C. Garbin, M.A. Kayiatos, C. Ray, brand mgrs
V.L. Lamb, V. Lindsley, associate brand mgrs
J.A. Guardino, associate brand mgr

Advertising Agencies

Carl Byoir & Associates, New York—pr—Gene Oliva, acct super; Judy Whitmore, acct exec.

Dancer Fitzgerald Sample, New York—Triumph, True, Beech-Nut chewing tobaccos, new prod—Tom Bohan, mgmt dir; Joe Albanese, Mike Jeary, mgmt supers.

Foote, Cone & Belding, New York—Kent Family (Kent, Kent III, Kent Golden Lights), Max, new prod, corp trade—Jack Angus, group mgmt dir; Paul Iffland, mgmt dir; Fidel Plantilla, acct super; Pat Pugno, acct exec.

Jordan, Case & McGrath, New York—new prod—Pat McGrath, president; Norm Carrier, mgmt super.

MCA Advertising, New York—Newport.

LOEWS HOTELS

Marketing Personnel

Robert Hausman, president
William Maibach, exec vp-domestic operations
Ann Bontempo, vp-pr
Philippe Borel, vp-mktg
Marian Succoso, dir-adv & sales promo

Advertising Agencies

Cavalieri & Kleier, Inc., New York—Ian Kleier, acct exec.

Cavillo, Shevack, Goldberg & Partners, New York—Vernon Mosheim, acct exec.

Enterprise Advertising Associates, Ltd., Toronto—Alan C. Middleton, genl mgr.

Warren/Kremer Advertising, New York—Christine Marino, acct exec.

LOEWS THEATRES

Marketing Personnel

Donald E. Baker, vp-adv & pr
Ted J. Arnow, asst vp-natl dir adv & sales promo
Henry I. Goldenberg, adv dir

Advertising Agency

Grey Advertising, New York—Herb Joseph, vp-acct exec.

CNA INSURANCE COMPANIES

Chicago, Ill.

Marketing Personnel

Edward J. Noha, chmn-ceo
Philip N. Engel, vp-mktg
Jay G. Pettorini, asst vp, life/health/pensions distribution, field operations
Susan Hogan, senior mgr-corp communications

Advertising Agency

Frank C. Nahser Inc., Chicago—business, trade publications—Frank Nahser, president.

BULOVA WATCH COMPANY

Jackson Heights, N.J.

Marketing Personnel

A.H. Tisch, president
George Forman, vp-adv

Advertising Agency

Sherwood & Schneider, New York—Jim Massey, senior vp.

Mars Inc.

RANK 54

McLean, Va.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	N/A	2,083	N/A
Net income	N/A	N/A	N/A
Advertising	139	121	14.8

Mars Inc., confronted by increased competition in the candy and snack foods market, boosted ad spending 14.8% in 1984 to an estimated $139.3 million in 1984. That hefty increase for the nation's 54th largest advertiser contrasts with its meager 0.3% ad budget hike in 1983 over 1982.

Mars Inc., headquartered in McLean, Va., is privately held and refuses to release sales figures, ad budgets or profit statements. The company has been the focus of much scrutiny this year by the confection industry as analysts predict candy-rival Hershey may surpass Mars' sales for the first time.

M&M/Mars candy division monitored ad spending rose 20.1% in 1984 to $66.9 million, with one of the more notable promotions being the naming of M&Ms and Snickers as the "official snack food of the 1984 Olympic Games."

Analysts estimate Mars has about 37% of the candy bar market, a 4% drop in share from a year ago, while archrival Hershey, which leads in introducing new products, has about 36%.

Part of the Mars problem, according to industry watchers, is the marketer's failure to introduce any new products nationally since Twix caramel bar in 1976. Royals mint chocolates, an M&M-like confection aimed at the adult market, remains in test for the second year in Washington, Baltimore and several other markets.

A kingsize version of Snickers, still considered the nation's best-selling candy bar, was introduced late last year and is doing well, according to M&M/Mars executives.

Measured media spending for major Mars Inc. candy brands includes: 3 Musketeers, $4.8 million, up 118%; M&Ms (plain and peanut), $14.2 million, up 6.8%; Lockets cough drops, $300,000, down 36%; Mars bar, $3.4 million, down 24.7%; Milky Way, $6.4 million, up 39.1%; Royals mint chocolates (in test), $100,000; Skittles, $3.9 million, up 200%; Snickers, $18.2 million, up 4.4%; Starburst, $4.9 million, up 14.4%; Summit, $1.1 million, up 31.7%, and Twix, $7.4 million, up 21.1%.

Spending for Uncle Ben's rice products rose 89% to $17.4 million, although the brands' sales still lag behind market leader Colgate-Palmolive's Riviana rice. Uncle Ben's is believed to retain about a 20% market share. Uncle Ben's has introduced nationwide its premium mixed rice product, Rice Florentine, but has yet to expand into other flavors as has rival Lipton's.

Mars' Snack-master division showed a jump of 10.5% in ad spending in 1984 to $6.3 million, a year in which ad support jumped 211%. Kal Kan pet foods spending, however, dropped 34% to $19.4 million.

The snack food line expanded last year with a new Combo flavor, cheddar cheese filled crackers. Combos cheese-filled pretzels are also now available in 60% of the country; the new cracker, sold in 21% of the U.S., received $4.3 million in measured spending, down 14.3% from 1983. Cornquistos filled snacks are sold largely in the Southwest, with two new flavors, mild and jalapeno cheese. Measured spending on the snack was $2 million, up from $466,000 in 1983.

Dooley's, a crispy potato chip shell filled with sour cream, onion or cheese, is Snack-master's newest venture, introduced this summer in Minneapolis, Des Moines, Kansas City and St. Louis. Advertising is handled by D'Arcy MacManus Masius, St. Louis.

Mars' pet food division, Kal Kan, the only division to cut spending in 1984, did not lose pet food market share, which increased slightly to 8.9% in 1984 with sales of $421.8, according to estimates by John C. Maxwell, an analyst for Furman Selz Mager Dietz & Birney, New York. The division introduced no new products in 1984.

Kal Kan remains the No. 2 position behind Alpo in canned dog food, according to Mr. Maxwell, with 1984 sales of $149 million. Kal Kan canned cat food, with $165 million in sales, remains behind top-selling H.J. Heinz Co.'s 9-Lives, while Crave dry cat food moved to fourth place in its category with $57.2 million in sales. Mealtime dry dog food moved up to fifth place with $80.5 million in sales, replacing Carnation's Come 'N Get It.

In measured spending, Kal Kan canned cat food received $4.6 million, down 15.3%; Kal Kan canned dog food, $9.5 million, up 23.4%; Crave dry cat food, $5.3 million, down 18.5%; Mealtime dry dog food, $7.5 million, down 16.7%.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	609	1,864
Magazines	6,728	2,812
Network cable	851	949
Spot tv	44,201	44,333
Network tv	65,655	52,102
Spot radio	2,353	351
Network radio	479	774
Outdoor	106	0
Total measured	120,982	103,184
Total unmeasured	18,300	18,116
Estimated total	139,282	121,300

MARS INC.
1651 Old Meadow Rd.
Westgate Park
McLean, Va. 22102
(703) 821-4900

Marketing Personnel

M&M/MARS DIVISION

Hackettstown, N.J.

Howard L. Walker, president
J. Langdon, senior vp-brands & sales

MARS BROKER DIVISION

Joseph Stalenhoef, vp

SNACK-MASTER

Albany, Ga.

Sam Dewar, president

UNCLE BEN'S INC.

Houston, Tex.

Thomas Armstrong, president
Al Aragona, vp-mktg & sales

KAL KAN FOODS INC.

Vernon, Cal.

John H. Barrow, president
Al Poe, vp-brands

Advertising Agencies

Ted Bates Advertising, New York—pet foods—Jerry Brady, exec vp; Ron Gudinskas, John Stranger, mgmt reps, Kal Kan canned dog food, Kal Kan canned cat food, Mealtime dry dog food. Candy & snacks—Larry Light, Sheila Paterson, exec vp, M&M's chocolate candies (plain and peanut), Snickers, Milky Way, Royals mint chocolates, Starburst fruit chews, Summit bar, Snack-master's Combos filled snack. Uncle Ben's—Randy Hackett, exec vp; Michael Passert, mgmt rep; Paul Daniusis, acct super.

Leo Burnett USA, Chicago—candy, snacks—3 Musketeers bar, Twix caramel cookie bar, Mars almond bar, new prod—Dan Reid, acct dir.

D'Arcy MacManus Masius, St. Louis—pet foods, Crave dry cat food, MPS canned dog food, candy, snacks, Cornquistos filled snack, Dooley's filled potato chips, Skittles bite size candies, new prod—Tom O'Neal, senior mgmt rep.

Mattel Inc.

RANK 63

Hawthorne, Cal.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	881	633	39.1
Net income	71	-394	-118.1
U.S.			
Sales	697	507	37.6
Operating profits	106	65	63.5
Advertising	133	88	50

After being on the brink of bankruptcy and shifting from financially draining videogames to concentrate on one major category—toys—Mattel Inc. rebounded in 1984 and faces a profitable 1985. The company also increased U.S. advertising 50.2% to an estimated $132.9 million to become the 63rd largest advertiser.

According to market analyst Carlton Lutts of the "Cabot Market Letter," the company is poised for major growth and profit after experiencing "an orgy of expansion way beyond reality."

Mattel had sales of $880.9 million, up 39%, for the fiscal year ended Dec. 29, 1984, and net income of $71.3 million, up from a loss of $394.1 million for the year-earlier period. Operating profit was $136.9 million, compared with $81.5 million the previous year.

Advertising got the benefit of the Mattel sales volume growth, rising from 15% of sales to 16%. Worldwide, Mattel spent $139.9 million in advertising and promotion in 1984, compared with $93.1 million in 1983.

By hitching its star to its toy division, the company is soothing its fiscal ills that have led to a subsequent sell-off of subsidiaries that had nothing to do with toys (including a circus, theme parks and other amusements).

Three of its toy products rank among the nation's top 10 sales producers in 1984. Masters of the Universe, Rainbow Brite and Barbie doll, posting second, seventh and ninth place, respectively, in the 1984 Christmas polls. Hot Wheels also was a big sales-getter.

While conditions began to turn around in 1984, indications so far in 1985 show that Mattel's recovery is continuing to gain momentum. For the first six months ended June 29, Mattel posted sales of $478.5 million, up 51% from the same period in 1984. Net income climbed 61.5% to $42 million.

Perhaps setting the trend for the next six months, advertising and promotion for the first half of the year increased 56% to $77.7 million. Sales increases during this period are traced to Mattel's new emphasis on shipping products earlier in the year and stepped up advertising.

Over the past three years, Mattel's share of the domestic toy market has risen from 7.5% to 12%, while its share of the international toy market has nearly doubled from 4.5% to 8.5%.

In 1985, Mattel has introduced four new lines of toys and has begun to expand into related markets. New products, with advertising handled by Ogilvy & Mather, Los Angeles, introduced during the first six months of 1985 include the Angel Bunny collection of 14 infant toys and the four-member Heart Family doll line.

Based on the success of the He-Man and Masters of the Universe boys' action figures, Mattel also created a "fashion-action" collection for girls called She-Ra: Princess of Power. Mattel also developed a Wheeled Warrior line of plastic cars, delivered to stores in May.

The Angel Bunny products were introduced early in 1985 with print ads directed at young mothers in a number of women's service books and followed by insertions in baby books, as well as some late-night network television.

Princess of Power debuted in early April with spot tv. As the national rollout began, commercials shifted to weekend network, syndication and cable, as well as additional coverage via print in women's service books.

The Heart Family's introduction occurred in late spring with full-page newspaper announcements in key markets, supplemented by late-night tv spots.

Wheeled Warriors was the last to arrive at market, in mid-June, with heavy spot tv and as it rolled out nationally, it moved to weekend network, cable and an expanded use of spot tv.

In 1984, the vast majority of Mattel's $59 million ad spending in measured media was directed at network and spot tv, which combined accounted for $50.4 million.

Dolls and doll accessories accounted for nearly $25 million of the measured ad budget, with the boys' action toys representing the second highest allocation of ad dollars—$24 million.

This year's larger ad budget is supporting production of nearly 85 tv commercials that are in various stages of production, and officials, forecasting an over-all shift in the media mix, see more use of syndicated and cable placement than in the past when network weekend tv was the primary target.

Mattel stepped up production at its worldwide manufacturing operations by 27% and initiated a new operations planning function to speed up the filling of orders. This means that a line of products can be produced for advance order well before the annual Toy Fair in February. According to a Mattel spokesperson, prefall consumer spending, as opposed to the traditional Christmas season, has greatly increased in recent years.

In January, 1985, Mattel showcased a new line of products in Scottsdale, Ariz., one month before the industry Toy Fair in New York. This year the company plans an October preview of its 1986 toys in Tucson. Additional toy shows highlighting Mattel products will be in Scottsdale next January and February.

Mattel established a new corporate structure. The company's 10 senior officers now report to what is called the Office of the Chief Executive, headed by chairman Arthur S. Spear and president Glenn A. Hastings. Thomas J. Kalinske is president of Mattel, U.S.A. and John W. Amerman is president of Mattel International.

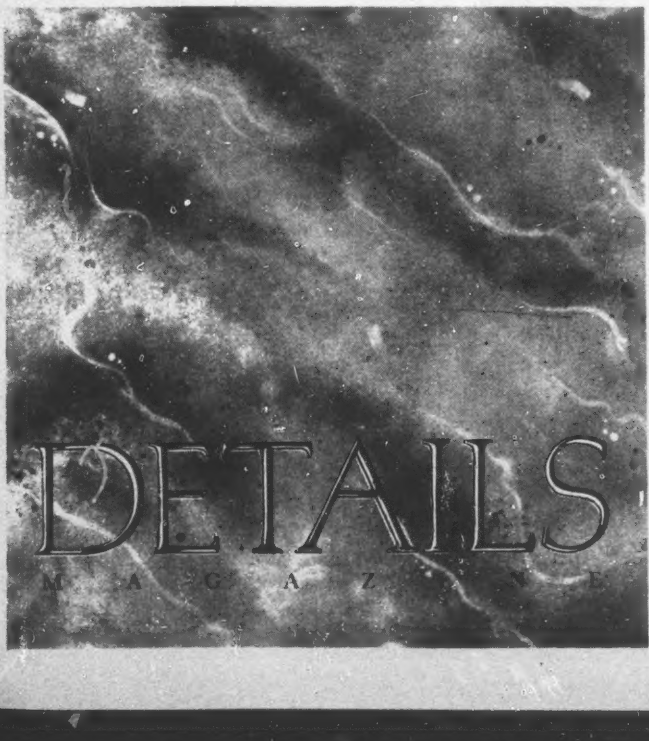
Mattel in November, 1984, split its advertising between Ogilvy & Mather, Los Angeles, which has handled the company almost exclusively since 1954, and Dailey & Associates, Los Angeles, part of Interpublic Group of Cos. Dailey will handle Mattel's $6 million Hot Wheels account and unspecified future projects.

Ed Libov & Associates, Los Angeles, the media buying agency, no longer handles occasional special projects. The changes came after Mattel conducted a 60-day search, considering several top contenders in the Los Angeles area, all full-service agencies with strong international networks. Mattel says the new assignments are simply a result of increased advertising, rather than a loosening of the grip Ogilvy & Mather has had on the account.

In 1984, Mattel placed unprecedented emphasis on licensing tie-ins and cooperative promotions. Royalty income from sales of licensed products increased 72% to $8.1 million.

Mattel had licensing agreements with Marvel Comics, Ralston Purina Co., Telepictures Inc., Group W Productions and SRM Entertainment among others.

Over-all, Mattel has concentrated its licensing agreements on Masters of the Universe, Barbie and Hot Wheels as well as three of its four product intro-



ductions: Princess of Power, Wheeled Warriors and Angel Bunny.

In the U.S., the company has 159 different licensing agreements with 83 companies on one or more of Mattel's products. Overseas, Mattel has about 300 licensing agreements with 226 companies. Licenses for animated tv series based on Mattel toys are expected to be the most lucrative of these deals.

Mattel also participated in cooperative promotions with Kellogg, Nestle and Campbell Soup Co.

Following the success of last year's 30-minute series, "He-Man," produced through Group W Production, Mattel has licensed "She-Ra: Princess of Power," for back-to-back programing. Through SFM Enterprises, a third program, "Wheeled Warriors," based on Mattel's new line of plastic cars, was to be aired this month. Hallmark Cards is producing a five-part, miniseries based on its Rainbow Brite characters, which Mattel has licensed as a successful line of dolls.

In addition, Mattel and Filmation Inc., Reseda, Cal., produced a feature-length animated film, "The Secret of the Sword," which showed this summer in theaters nationwide. Telepictures Inc. has found another market for Mattel toy-related products. Its licensed *Barbie* and *Masters of the Universe* "fashion and life style" quarterly magazines aimed at children have each exceeded 1 million in circulation.

Magazines and animated tv programs linked to toy manufacturers have been criticized by the National Assn. for Better Broadcasting and other nonprofit consumer groups that argue these products are essentially advertising for Mattel and should be classified as such. FTC regulations prevent advertisements for Barbie, for example, from appearing on the pages of the *Barbie* magazine. However, Barbie is featured prominently in the editorial content of the *Barbie* magazine, but not in ads.

In the future, Mattel ads may take on a different look. The FTC lifted restrictions on the filming of toy commercials that had been in effect since 1971. Mattel may now use camera tracking methods, stroboscopic lighting and other special effects to enhance the appearance of its Hot Wheels die-cast cars.

Mattel agreed to submit to the FTC market research demonstrating that the commercials are not deceptive to children. In response to angered consumer groups, the FTC pledged it will provide "additional guidance as to the circumstances under which these camera techniques may be used."

Mattel says the change in regulations has not led to any significant changes in advertising policy nor is it expected to in the immediate future.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,883	2,032
Magazines	5,122	4,783
Network cable	1,011	928
Spot tv	14,404	18,520
Network tv	36,036	52,075
Spot radio	135	418
Network radio	0	131
Outdoor	414	234
Total measured	59,004	79,120
Total unmeasured	73,888	9,337
Estimated total	132,892	88,457

MATTEL INC.
5150 Rosecrans Ave.
Hawthorne, Cal. 90250
(213) 978-5150

Marketing Personnel

Glenn A. Hastings, president-office of the chief executive
Thomas J. Kalinske, president, Mattel USA
John W. Amerman, president, Mattel Intl.
Joseph F. Morrison, senior vp-mktg services, admin., entertainment & licensing
Judith A. Shackelford, senior vp-worldwide category mgmt
Bruce Stein, Marc Witzer, Jill Barad, Paul Cleveland, vps-worldwide category mgmt

Advertising Agencies

Dailey & Associates—Hot Wheels, girls' toys—Cliff Einstein, president, corp creative dir.

Ogilvy & Mather, Los Angeles—Mattel Preschool—Marilyn Fidler, acct mgmt; Amy Gusman, Jean Harfenists, Cathy Kellner, acct execs. Mattel games, publishing & corp—Marilyn Fidler, mgmt super; Ginger Sherman, acct super; Russ Kamalski, acct exec. Male Action—Susan Chittum, mgmt super; Alice Wheelwright, acct exec. Wings & Wheels—Susan Chittum, mgmt super; Rand Brenner, acct exec. Rainbow Brite—Freddie Bee, mgmt super; Harriet Lipson, acct super; Lisa Elliott, acct exec. Heart Family—Freddie Bee, mgmt super; Harriet Lipson, acct super; Michael Vernon, acct exec. Barbie—Freddie Bee, mgmt super; Olga Gil, acct super; Paula Heath, acct exec. Princess of Power & Baby Kickie—Freddie Bee, mgmt super; Olga Gil, acct super; Patti Beadle, acct exec.

Mazda Motors of America

RANK
92

Rancho Dominguez, Cal.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	5,844	5,568	5.0
Net income	121	105	15.7
Advertising	72	75	-4.5

Mazda Motors of America, the fourth largest Japanese auto importer in the U.S. and latest to announce plans to produce cars in the U.S., was the 92nd largest national advertiser in 1984 with ad expenditures estimated at $71.8 million, down 4.5% from a year earlier.

Mazda set record highs in worldwide sales and earnings for fiscal 1984 for the ninth consecutive year, posting a 15.7% increase in net income to $121.1 million and a 5% gain in sales to $5.84 billion. Sales and earnings for both 1984 and 1983 fiscal years, ending Oct. 31, were converted from yen to dollars at the rate of Y245 = U.S.$1.

An upgraded model mix helped produce the boost in total sales over fiscal 1983, because factory sales were down worldwide at Mazda Motor Corp. to 1,331,541 units (including knockdown sets), down 0.8% from 1983. Of total production, factory sales for the Japanese market declined 9.6% to 367,805 (for cars and trucks), while export sales improved 3.1%. Exports account for 72.4% of total factory sales.

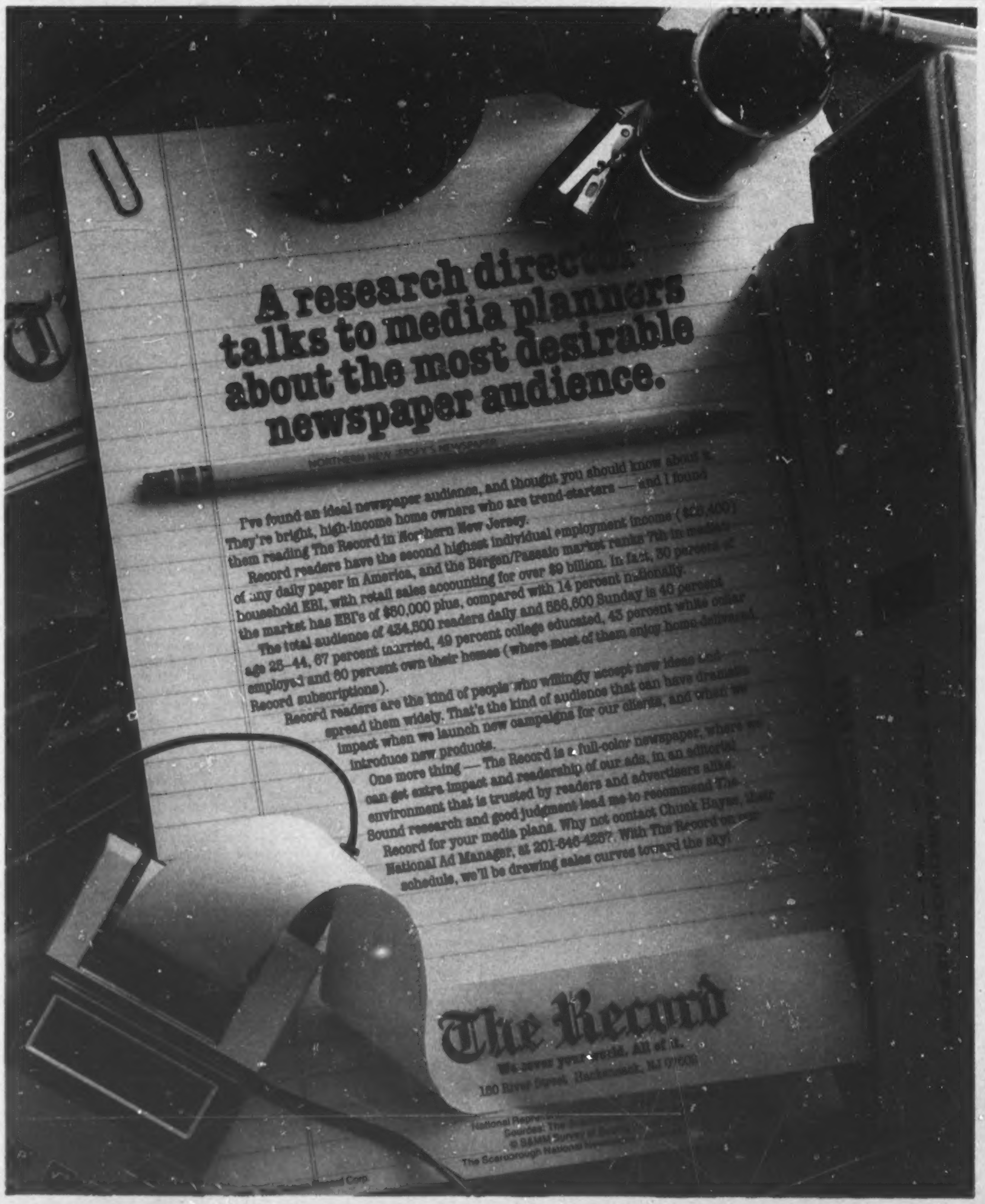
Mazda's U.S. sales for 1984 increased 2.2% to a record 288,793 units—169,666 cars (down 2.2% from 1983) and 119,127 trucks (up 56.4% over 1983). The car/truck combination gave Mazda a 2.3% share of the total U.S. market (1.6% share just for the autos). Mazda took an 8.7% share of the total import market in the U.S., up from 8.4% in 1983. Over-all, its share made it the fourth largest Japanese importer to the U.S. behind Toyota at 23%, Honda at 20.9% and Nissan at 20%.

For the year, Mazda car sales were just below the "voluntary" restrictions imposed on the company (173,500 for Mazda) by the Voluntary Restraint Agreement. The quota for 1985, beginning April 1, 1985, has been raised to 229,720 imported cars. That does not count domestically produced Mazda cars or foreign or domestically produced trucks, which Mazda took great advantage of in 1984 by increasing truck sales 56.4%.

Aiming to ensure continued future success in the face of VRA limits, Mazda said it will begin production at a new $450 million auto assembly plant in Flat Rock, Mich., in the fall of 1987. The plant, operated by the newly formed Mazda Motor Mfg. (USA) Corp., will have an annual production capacity of 240,000 vehicles and will make Mazda the fourth Japanese auto maker to locate vehicle assembly operations in the U.S. Honda, Nissan and Toyota already have plants here.

Ford Motor Co., which has a 25% stake in Mazda, is expected to place its nameplate on as much as 50% of the Flat Rock plant's car output. The car to be produced will be a version of Mazda's popular front-wheel drive 626 model.

Mazda in the U.S. is a combination of Mazda Motors of America (Central), Rancho Dominguez, Cal., and Mazda Motors of America (East), Jacksonville, Fla. The California unit


A research director talks to media planners about the most desirable newspaper audience.

NORTHERN NEW JERSEY'S NEWSPAPER

I've found an ideal newspaper audience, and thought you should know about it. They're bright, high-income home owners who are trend-starters — and I found them reading The Record in Northern New Jersey.

Record readers have the second highest individual employment income ($26,400) of any daily paper in America, and the Bergen/Passaic market ranks 7th in median household EBI, with retail sales accounting for over $9 billion. In fact, 30 percent of the market has EBI's of $60,000 plus, compared with 14 percent nationally.

The total audience of 434,500 readers daily and 568,600 Sunday is 40 percent age 25–44, 67 percent married, 49 percent college educated, 43 percent white collar employed and 80 percent own their homes (where most of them enjoy home-delivered Record subscriptions).

Record readers are the kind of people who willingly accept new ideas and spread them widely. That's the kind of audience that can have dramatic impact when we launch new campaigns for our clients, and when we introduce new products.

One more thing — The Record is a full-color newspaper, where we can get extra impact and readership of our ads, in an editorial environment that is trusted by readers and advertisers alike.

Sound research and good judgment lead me to recommend The Record for your media plans. Why not contact Chuck Hayes, their National Ad Manager, at 201-646-4257? With The Record on our schedule, we'll be drawing sales curves toward the sky!

The Record
We cover your world. All of it.
150 River Street, Hackensack, NJ [illegible]

National [illegible]
Sources: The [illegible]
© S&MM Survey of [illegible]
The Scarborough National [illegible]

is a joint venture of Mazda Motors Corp. (formerly known at Toyo Kogyo Co. Ltd. until the name change in May, 1984) and Sumitomo Corp. and handles car and truck imports to the Pacific Northwest, Great Lakes and Gulf regions. The Florida operation is a subsidiary of C. Itoh Co. and handles imports to an 18-state region in the East and Midwest.

Mazda spent $51.8 million in measured media in 1984, up 11.2% from the previous year. The measured total for 1984 includes $1.3 million for cable tv, a category not reflected in last year's monitored figures. However, it does not include a measured $10.2 million in dealer advertising.

Network and spot tv and continued use of auto enthusiast magazines and national newsweeklies once again were the media mainstays behind the introduction of Mazda's 1985 model line. Measured ad spending broke down to $26.3 million in network tv, down 3.3% from 1983; $4.1 million in spot tv, up 78.3%, and $16.8 million in magazines, up 15.1%. Mazda probably spends a higher percentage of media dollars for magazines than most other automotive advertisers.

Mazda's lineup of advertising and promotion for the 1985 model year stayed close to the successful patterns established earlier. Tv and print ads continued to keep up the price/value theme of previous years, as well as stressing the "total performance" of the full Mazda line.

In the fall, the company continued its "weekend" use of network tv, with the promotion strategy aimed at reaching the upscale male audience with annual incomes of more than $35,000. Sponsorship was heavily weighted with sports programing, highly rated weekend shows such as "60 Minutes," weekend movies and prime time programs on Friday nights.

In the fall of 1984, as U.S. auto makers Chevrolet and Chrysler both announced plans to cut back on tv sports buys, Mazda maintained and aggressively expanded its sponsorship of football, basketball and other events. This included use of televised games of the NCAA, NBA, NFL and USFL. The "Mazda Sportslook" series of sports journalism programs on cable's ESPN continued for a fifth year with Mazda sponsorship, as well as the new "Monday Night Match-Up," also on ESPN, which profiles the two teams matched in the Monday night football game on ABC-TV. "Match-Up" returns to ESPN this fall.

Mazda continues to build a presence in ladies professional and senior professional golf. The company is an advertiser on the 74-tournament LPGA women's tour and was major sponsor of the first tournament of the year, the Mazda Classic at Deer Creek, Fla.; the Mazda Hall of Fame Classic in Texas over the July 4 weekend, and the final LPGA tournament of the year, the Mazda Japan Classic in Hiroshima. Mazda was also a sponsor of the Senior PGA golf tour.

Mazda continued its involvement in auto racing with its RX-7, high-performance rotary engine sports passenger car winning an unprecedented fifth consecutive GTU championship of the International Motor Sports Assn. Sales of the RX-7, priced at $10,945 for the S model five-speed coupe, gained slightly in 1984 to 53,038 units, up from 52,514 the previous year. But a competitor, the Fiero from Pontiac with sales of 92,374 units, unseated the RX-7 as the top-selling, two-seat sports car in the U.S. Measured ad spending on the RX-7 was $6.1 million, including $3.7 million in network, $2.3 million in magazines, and $183,400 spot tv.

The popular 626 model, with sales of 71,407 units in 1984, continued to be the company's best-selling car for the second straight year. The 626 model, priced between $8,845 and $11,625, was supported with an expenditure of $9 million, of which $4.7 million went to magazines, $3.2 million to network and $1.1 million to spot tv.

Sales of the GLC economy cars ($5,195 the lowest price for the four-speed three-door hatchback) totaled 45,221 units in 1984. Measured media spending for the GLC models totaled $6 million—$3.5 million in network tv and $2.5 million for magazines.

Print and tv advertising for the 1985 line once again incorporated the "Experience Mazda" theme, with print ads featuring full-body shots of the GLC, RX-7 and 626 cars. The theme also played well in network spots that showed the cars on a track, stressing over-all performance and features.

Aggressive promotion of the 1985 B2000 and SE-5 pickup trucks accounted for more than one-third of the total annual budget and included $19 million in measured media. The major portion, $14.8 million, went for network and spot tv and $3.5 million for magazines. Such was the main thrust of the media effort that accounted for record 1984 truck sales using a price/value theme for a fourth year, "Sakes Alive! Only Mazda has a truck for $5,995."

The "Sakes Alive!" theme was discarded in early 1985 when Mazda unveiled its redesigned pickup truck line and announced plans to go after a bigger share of the compact truck market. Introduced as 1986 models, the new B2000 was promoted as "bigger and better, a redesigned technically sophisticated product that is still a great value for the money." Base price of the standard truck is $5,995. The sportier SE-5 starts at $6,395, while the higher-content LX model is priced at $7,645. Mazda truck marketers forecast 1985 truck sales of 120,000 units, about the same as in 1984.

REACH
those who read "the irreverent, avant-garde fashion magazine that is making waves in New York City" ... because "it has an honesty that's refreshing in journalism." —Perry Ellis
—New York Times
DETAILS
M A G A Z I N E

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	3,018	1,971
Magazines	16,857	14,551
Network cable	1,382	665
Spot tv	4,187	2,771
Network tv	26,382	27,160
Outdoor	6	0
Total measured	51,832	46,616
Total unmeasured	19,965	28,549
Estimated total	71,797	75,165

MAZDA MOTORS
OF AMERICA
(Central)
3040 E. Ana St.
Rancho Dominguez, Cal. 90221
(714) 537-2332
Marketing Personnel

T. Ogawa, president
Rod Hayden, senior vp-genl mgr
Duane Bowen, vp-mktg
Robert Parker, sales mgr
William Wolf, public affairs mgr

(East)
Post Office Box 16305
Jacksonville, Fla. 32245
(904) 731-4010
Marketing Personnel

Seizo Kano, president
Eric Sundstrom, senior vp-genl mgr
James Trado, vp-sales & mktg
George McCabe, genl sales mgr

Advertising Agency

Foote, Cone & Belding, Los Angeles—Wilton Mansfield, senior vp-group mgmt dir; James Arnold, vp-mgt dir; Brad Fogel, natl adv acct dir-cars; Steven Morrissey, natl adv acct dir-trucks; Robert MacDonald, media dir; James Barr, senior vp-creative dir; Henry Caroselli, vp-asst creative dir.

RANK
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MCA Inc.

Universal City, Cal.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	1,651	1,585	4.2
Net income	95	147	-35.4
U.S.			
Sales	1,381	1,255	-89.6
Operating profits	70	121	-42.1
Advertising	77	73	5.5
Division sales			
Filmed entertainment	889	927	-4.2
Records/music	256	188	31.1
Retail/mail order	311	288	7.9
Book publishing	117	106	10.1
Other	79	75	4.9

MCA Inc., Universal City, Cal.-based parent of Universal Studios, was the nation's 89th largest advertiser with advertising of $77.1 million, up 5.5% from the previous year.

The rise in advertising, coming mainly from the Filmed Entertainment division, primarily reflects an increase in film advertising, particularly in the use of network tv to promote film openings.

Filmed entertainment accounted for 54% of total sales of $1.65 billion at MCA for the year ended Dec. 31, 1984, down 4.2% from 1983. Earnings of $94.9 million, were down 35.4% from 1983. Despite improvements in the first-quarter 1985 earnings from tv, home video and pay tv operations, overall net income dropped 13% to $18.4 million on revenues of $431.6 million, up 10% from the year-earlier period. Operating losses were recorded in retail and mail-order businesses. Merchandising revenues were lower compared with the year-earlier period, while book publishing, records and music group revenues reached record highs for the quarter.

During 1984, most of MCA's media advertising as usual went toward Universal Pictures. Frank Price, chairman, MCA motion picture group, and Marvin Antonowsky, exec vp-advertising, publicity and promotion, brought a philosophy favoring large network tv campaigns to the studio when they joined the company in November, 1983.

The result can be seen in an 11% increase in tv advertising, but more significantly in the division between network and spot ads. Whereas the two categories were split fairly evenly —54% network, 46% spot—for 1983, network accounted for more than 90% of tv advertising in 1984. MCA spent $30.5 million on network tv, nearly doubling its network expenditures in 1983.

By the same token, magazine advertising has become a low priority, plummeting from more than $2.5 million to $739,000 in 1984, while network radio increased 400% to $1.2 million.

Most new releases received between $2 million and $3 million in measured backing.

They included: "All of Me," "Cloak & Dagger," "Conan the Barbarian," "Dune," "Hard to Hold," "Iceman," "Psycho II," "Streets of Fire," "Tank" and "The Wild Life." The studio's "The River" received only limited promotion in 1984 before its yearend release.

Universal plans to increase its number of theatrical productions, a strategy designed to tap the growing pay tv and home videocassette markets.

Home video sales and pay tv licensing contracts were up 34% over 1983, exceeding $160 million. In a statement to stockholders, president-ceo Sidney Jay Sheinberg noted videocassettes and major pay tv contracts have combined "to significantly reduce the risk of investment in theatrical production."

The drop in motion picture revenue in 1984 alarmed some MCA stockholders but comes as no surprise. Universal enjoyed two years of huge profits largely because of "E.T.—The ExtraTerrestial," the $360 million blockbuster that put the filmed entertainment division's gross at more than $1 billion in 1982 and spilled over into 1983's $927 million output.

Lacking a blockbuster of "E.T.'s" caliber, Universal had a respectable 1984, with revenues of $888.9 million, down 4%.

Revenue could drop again for 1985 because the studio released only 17 films, compared with 21 in 1984. Another blockbuster would make a difference, however.

Of this year's releases, Universal's relationship with Steven Spielberg—whose Amblin Entertainment took up residence on the lot in the spring of 1984—continues to bear fruit.

In addition to the hit "Back to the Future," the No. 2 attraction (behind Tri-Star Pictures' "Rambo: First Blood Part II") in an otherwise-sluggish summer at the box office, Mr. Spielberg is producing 44 half-hour segments of "Amazing Stories" for Universal tv and "The Money Pit," a theatrical romantic comedy, for Christmas release. Both productions figure to receive heavy advertising capitalizing on the Spielberg name.

Universal also reaped bountiful rewards in tv syndication in 1984, raising $470 million from licensing agreements.

That figure should rise markedly in 1985, as a number of successful Universal shows become available for syndication. Among them is "Magnum P.I.," "Knight Rider" and "Simon and Simon." "Magnum" alone is expected to produce more than $200 million in syndicated revenues.

MCA also took a step toward increasing its potential viewers abroad to 1 billion consumers. Universal is negotiating to be the first American studio to broadly distribute its film product to the People's Republic of China.

Skip Paul was named president, MCA Enterprises, in June to oversee the effort. Mr. Paul's duties entail expanding existing lines—including film, recorded music and video—into China and throughout the Pacific Rim, as well as exploring the creation of new product lines tailored to those markets.

Universal's other operations were relatively stable in 1984—with the exception of the Universal Studios Tour, which, like other local theme parks, suffered a summer decline in attendance attributed to the 1984 Olympics.

MCA Development remained active in local real estate, completing construction on three major projects during 1984. Foremost among these is the Sheraton Premiere, a 457-room luxury hotel, which opened in May, 1984.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	6,165	5,165
Magazines	739	2,563
Network cable	538	526
Spot tv	1,883	13,835
Network tv	30,518	16,068
Spot radio	1,546	1,390
Network radio	1,248	254
Outdoor	355	351
Total measured	42,993	39,262
Total unmeasured	34,065	33,750
Estimated total	77,058	73,012

MCA INC.
100 Universal City Plaza
Universal City, Cal. 91608
(213) 985-4321
UNIVERSAL PICTURES
Marketing Personnel

Frank Price, vp-MCA, chmn Universal Pictures
Marvin Antonowsky, president-Universal Pictures, mktg div
Edward Roginski, senior vp-Universal Pictures, gen mgr mktg
Michele Reese, vp-publicity & promo, west coast & natl field operations
Ken Harman, vp-creative dir mktg
William Soady, president, Universal Pictures, distribution div
Teri Korban, vp-media & coop adv
Roger Seltzer, vp-mkt rsch
Roger Edwards, dir-mktg rsch
Don Barrett, natl dir, promo & field activities
Frank Wright, dir-natl publicity

Advertising Agency

Doyle Dane Bernbach/West—Simon Kornblit, exec vp-dir acct services; Jim Spero, senior vp-media dir; Alycia Paul, media super; Ann-Marie Whitman, acct exec; Steve Thompson, asst acct exec.

MCA HOME VIDEO
Marketing Personnel

Gerry Giaquinto, president
Jerry Hartman, vp-mktg, MCA Home Entertainment

Advertising Agency

Cavalieri & Kleier Advertising, New York —Ian Kleier, vice chmn-mgmt super; John Cavalieri, chmn-creative dir; Paul F. Purcell, acct super; Mark Siegfried, acct exec; Michael Katz, media dir.

MCA RECREATION SERVICES
Marketing Personnel

J.S. Stein, vp-MCA Inc., president-MCA Recreation Services
Gordon Armstrong, exec vp-mktg
Herb Steinberg, vp-corp relations

Advertising Agency

FCB/Entertainment, Los Angeles—Universal Studios Tour, Universal Amphitheatre, Womphoppers Wagon Works Restaurant, Yosemite Park & Curry Co., MCA Concerts—Steve Hayman, senior vp-dir entertainment div; Phyllis Vernick, creative dir; Denise Hitchcock, acct dir; Nancy Johnson, media super.

SPENCER GIFTS
Atlantic City, N.J.
Marketing Personnel

J. Eugene Brog, president
Charles H. Ross, exec vp-genl mgr-retail div
George R. Zilling, vp-mktg, planning, rsch, devel

Mail-Order Operations

George R. Zilling, president
S. Gary Stern, exec vp-merch
Dotti J. Watts, intl mktg admin

Advertising Agencies

(In-house)—Edward Israel, adv dir.

Fairfax Inc., New York—James Fishel, acct exec; Peter Joyce, media dir.

MCA RECORDS &
MUSIC GROUP
Marketing Personnel

Irving Azoff, president
Sam Passamano Jr., vp-promo mktg
Larry Solters, vp-artist devel

Advertising Agency

Lankershim Advertising (in-house).

MCA DISTRIBUTING

John Burns, senior vp

RANK
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McDonald's Corp.

Oak Brook, Ill.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	10,007	8,687	15.2
Net income	389	343	13.4
U.S.			
Sales	2,625	2,388	9.9
Operating profits	683	615	11.0
Advertising	480	312	54.0

McDonald's Corp., Oak Brook, Ill., was the nation's 10th largest advertiser in 1984, increasing domestic advertising and promotion spending 54% to $480.3 million.

The company says 6% of systemwide sales of $10 billion, or $600 million, was spent worldwide on advertising and promotion by the company, its franchisees and affiliates. An estimated 80% of that total was spent in the U.S. While the amount spent on advertising increased from 1983 to 1984, the percentage of systemwide sales allocated to advertising declined to 6% from 6.1% in 1983 and 6.7% in 1982.

A shift in advertising expenditures that skewed spending more heavily to network tv and away from local tv and promotional spending created efficiencies that account for the decrease in ad spending as a percentage of sales.

McDonald's retained its status as the world's largest foodservice company last year as it became the first restaurant company to achieve sales of $10 billion, a 15% increase over 1983. Total number of restaurants open by yearend rose 7% to 8,304.

The company's foreign presence continued to increase. The 1,709 stores outside the U.S. accounted for sales of $1.94 billion, or 21% of the systemwide total, up from 1,527 stores and sales of $1.62 billion (20% of the total) in 1983. In 1984, McDonald's opened its first stores in Andorra, Finland and Taiwan. Thailand, Mexico, Yugoslavia and Venezuela were scheduled to be added this year.

For many years, McDonald's marketing strategy has been built on four main elements: Heavy media advertising to reinforce the chain's "food, folks and fun" message; a limited but flexible menu selectively changed to reflect consumer preferences; steady physical expansion that has meant adding at least 500 stores to the system each year, and community involvement that keeps the McDonald's name visible while returning some of the profits to the local communities.

In 1984, McDonald's made significant changes in all four of those areas.

To begin with, the over-all message of the chain's advertising was changed to "food, food, folks and fun," a more substantial alteration than it might at first appear. McDonald's advertising long has sold the chain's image, atmosphere and a "good feeling"—what the company calls the "McDonald's Experience"—as much as it has hyped hamburgers. While a touch of warm sentimentality still can be found in some commercials, it's sandwiched between more evident product photography and fast-paced, upbeat elements reminiscent of music videos.

Along with that change in style, McDonald's and national agency Leo Burnett USA, Chicago, in June changed the ad theme to "It's a good time for the great taste of McDonald's" from "Together, McDonald's & You." Chain executives endorsed the new theme because its emphasis on "taste" fit the plan to pay more attention in advertising to individual menu items. McDonald's media schedule is built around those products, with each major food item getting several weeks of attention throughout the year.

The new Burnett theme was similar to one experimented with in the Washington and Baltimore markets. Needham Harper Worldwide, local agency for the operators' co-op in those two markets, produced a campaign themed "I've got a taste for McDonald's" that used an offbeat, avant-garde visual style to sell the chain. Speculation that Needham might win back the national McDonald's account on the basis of those spots didn't pan out, and the D.C. campaign was phased out in July, 1984, after a six-month run.

But it did show that McDonald's corporate marketing staff would accept a more modern advertising approach, and that lesson was quickly learned and absorbed by Burnett's creative. The chain's tv commercials have become much more visually contemporary and less sentimental.

The media schedule itself came in for some changes. McDonald's owner/operators voted to increase to 2% from 1.25% of their sales in contribution to the Operators National Advertising Fund, which funds network tv advertising. Concurrently, the system's commitment to local tv advertising and promotional expenditures was reduced.

The results of that shift were evident in 1984. Spending for network tv more than doubled to $162.5 million from $80.9 million. Spot tv expenditures fell 13% to $91.5 million.

The dramatic increase in the network tv budget required an adjustment in buying strategies. McDonald's already was one of the major sponsors of children's programing, so the added funds were channeled into prime-time adult programing, where McDonald's message previously had had only limited presence.

McDonald's has become a significant factor in the upfront prime-time market and has bought time during such programs as "Dynasty," "Dallas" and adult-theme, made-for-tv movies.

A significant portion of that tv budget was spent during the 1984 Summer Olympics. McDonald's was a major sponsor of the games; its operators contributed $4 million to construct the complex used for swimming and diving events. During ABC-TV's telecast of the games, McDonald's spent an estimated $35 million for commercial time.

Additionally, the chain ran a scratch-card promotion during the games called "When the U.S. wins, you win." The boycott by the U.S.S.R. and other Eastern Bloc countries greatly helped the showing by American athletes and increased the number of food-prize winners, a development that McDonald's maintained was surprising but welcome.

The Olympics were not McDonald's only involvement with sports. A controversy erupted at the start of the 1984 baseball season when McDonald's, working with San Diego Padres first baseman Steve Garvey, enlisted at least one player on every major league team to wear a wristband that carried the McDonald's Golden Arches logo and the Ronald McDonald House logo. The wristband was intended to call attention to the 10th anniversary of the Ronald McDonald House charity.

Some critics questioned whether such a program might lead to baseball players wearing endorsement logos on their uniforms as tennis pros and other athletes do on their clothing. An agreement finally was reached that allowed players to wear the wristbands, but without the Golden Arches logo.

McDonald's also expanded its sponsorship of amateur athletics, including swimming, diving, gymnastics and cycling competitions. And it signed Olympic gymnast Mary Lou Retton as a national spokesperson (while its Chicago operators signed Olympic star and NBA rookie-of-the-year Michael Jordan).

While picking up the pace on ad spending, McDonald's also was moving more quickly when it came to new menu items. The chain traditionally has been slow to begin in-store testing of new products and slow to make yes-or-no decisions about those products once testing began. McDonald's claims never to have killed any item that had been introduced nationally, but such items as the McRib and McChicken sandwiches languished in several thousand stores before being pulled.

Lately, McDonald's and its franchisees have become more experimental and more bold in new-product testing, seemingly less afraid to learn that they might be wrong about a product's appeal. Two items, the McCrescent sandwich and Maple McCrisps breakfast nuggets, got the ax after brief regional tryouts. But other test items continued to be evaluated.

Sales of its Quarter Pounder reportedly have been weakening, and McDonald's has tested several new variations for that and other sandwiches. These include the Cheddar Melt, a ⅓-lb. cheeseburger tested in late 1984 in Wisconsin, and a sandwich originally tested in Shreveport, La., and Cleveland as the Lettuce & Tomato Special and redubbed the

When you have a $100,000 home in the suburbs, you want to protect your investment.

After all, a home is probably the largest investment a person makes in their lifetime. To protect its value, you'd have to know the circumstances that could hurt its worth, and prevent them from happening. You'd have to know about zoning board meetings, tax proposals, proposed school closings, and countless other proceedings. You can't find out about local issues and events from the network news.

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USSPI makes it simple for you to reach this suburban audience, where nearly 70% of all metropolitan sales are made. USSPI is a nationwide network of over 1000 quality newspapers covering 45 major metro areas, with an audience of 31,000,000 readers.

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USSPI
U.S. Suburban Press, Inc.
The suburbs' source for news

McD.L.T. when the test was expanded. By mid-1985, the sandwich was available in about 1,800 stores and showing potential. The McD.L.T is sold in a special two-compartment container that allows the beef patty to remain warm without wilting the lettuce and tomato (which are in the adjoining compartment).

Other sandwiches tested have included the Lite Mac, a lower-calorie version of the Big Mac; Chicken McSwiss, a cheese-topped version of the McChicken, and regular and bacon double cheeseburgers. McDonald's officials even confided that its test-kitchen staff has developed a McPizza item, although it hasn't yet been tested in a restaurant.

McDonald's also has begun exploring salads, a labor-intensive, low-margin product category from which it has shied despite other chains' rush to add salads and salad bars. McDonald's so far has limited itself to pre-prepared salads rather than salad bars, but has been testing some innovative versions. In several urban markets, the chain has been evaluating tossed salad, chef salad, shrimp salad and pasta salad. Ad support has been limited to in-store materials because the salads have been tested only in selected (primarily center-city) stores within the test markets.

The chain's most daring new-product test has been breakfast biscuits prepared from scratch and baked fresh within the test stores. Requiring additional equipment and extensive staff training, the biscuit test (ongoing in several major markets) will tell McDonald's how feasible on-site food preparation can be for its tightly regulated system. If it proves viable, biscuits could be only the first of several subsequent menu items—such as pizza—that could be evaluated.

The third element in McDonald's marketing strategy is physical expansion. The decision to patronize a fast-food restaurant often is made on the road, so the first chain a customer encounters likely will get the business. Continually increasing the number of stores continually increases the odds in McDonald's favor.

Every year it exceeds its annual goal of adding 500 stores to its system (526 opened in 1984) and every year critics ask how it can possibly repeat the feat the next year. The good sites have all been taken, the critics say, adding that the fast-food market is saturated. McDonald's founder and past chairman Ray Kroc, who died in January, 1984, once replied to that criticism with the observation that "saturation is for sponges," and the chain continues to add restaurants at the rate of nearly three every two days.

The growth strategy has not changed, but the kind of sites McDonald's is looking for has altered as the number of streetcorner plots diminishes. McDonald's and rivals Burger King and Wendy's are looking to add stores wherever large numbers of potential customers congregate. As a result, McDonald's has opened restaurants in office buildings, zoos, train stations, hospitals and schools. In 1985, it opened a store in Chicago's Field Museum of Natural History and 10 stores on the Connecticut Turnpike.

In August, 1984, the chain was awarded a contract with the U.S. Navy that could put McDonald's units on as many as 300 naval bases around the world.

Similarly, it has become flexible and imaginative in the design for its free-standing units. In some small sites it has opened limited-menu "McSnack" stores. Where major off-highway sites are available, it is opening "McStop" complexes that include gasoline stations and convenience stores as well as large McDonald's units.

McDonald's reached two milestones in 1984. On Oct. 12 in Duluth, Ga., it opened its 8,000th store. That unit includes a number of technological innovations—including a laser-disc point-of-purchase advertising system—that will be used in selected future stores.

On Nov. 20, the 50 billionth hamburger was served in New York, almost 30 years after the chain began. The second 50 billion is expected to go much faster: Burger 100 billion is projected to slide off the grill May 13, 1993.

One major change in the chain's marketing staff was the addition in October, 1984, of Peter Nelson as senior vp-marketing. Mr. Nelson previously had been president-chief operating officer of Needham Harper Worldwide, an agency he had been with for 28 years.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	672	249
Network cable	82	240
Spot tv	91,454	105,025
Network tv	162,462	80,931
Spot radio	3,827	2,077
Network radio	0	781
Outdoor	5,129	4,295
Total measured	263,626	193,597
Total unmeasured	216,374	118,021
Estimated total	480,000	311,618

MCDONALD'S CORP.
One McDonald Plaza
Oak Brook, Ill. 60521
(312) 887-3200

Marketing Personnel

Paul D. Schrage, senior exec vp-chief mktg officer
Peter A. Nelson, senior vp-mktg
Roy T. Bergold Jr., vp-adv
Richard G. Starmann, vp-communications
Thomas A. Gruber, vp-intl mktg
Ronald W. Miessler, vp-communications services
David B. Green, vp-natl mktg
Emil Terri, asst vp-mktg & media services
Chuck Ebeling, dir-corp communications
Dean Barrett, John Davis, dirs-field mktg
Laurie Grace, dir-media
Sandy Silver, dir-natl mktg
David Dandurand, dir-sports mktg
Linda Kravitz, dir-youth mktg
Thomas Kettle, dir-consumer mktg
Jim Rand, dir-mktg services
Don Lorr, dir-mktg rsch
Mike Gordon, dir-pr
Robert Keyser, dir-media relations

Advertising Agencies

Leo Burnett USA, Chicago—John Miller, senior vp-client service dir; Mike Allen, vp-acct dir; Linda Wolf, vp-acct super, youth; Barry Krause, acct super, adults; Pam Tournier, acct super, new prod; Don Cummings, vp-acct super, field mktg; Tom Roth, acct super, field mktg.

Burrell Advertising, Chicago—Black consumer mktg—Ron Williams, vp-acct dir.

Conill Advertising, New York—Hispanic consumer mktg—Charles Magee, vp-acct super; Martha Castro, acct super.

Frankel & Co., Chicago—sales promo—Jim Mack, acct dir; Bob Schneider, group super, youth mktg; Rick Bollinger, group super, adult mktg; Poger Lipker, group super, new prod.

Golin/Harris Communications, Chicago—pr—Henry Lienau, acct coord.

Simon Marketing, Los Angeles—sales promo consultant—Allan I. Brown, chmn; Eric S. Stanton, co-chmn; Edwin D. Rickerson, president; Jerry D. Beckman, exec vp.

RANK
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Mobil Corp.

New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	60,474	58,998	2.5
Net income	1,268	1,503	-15.6
U.S.			
Sales	25,574	23,499	8.8
Operating profits	902	874	3.2
Advertising	173	160	7.8
Division sales			
U.S. petro.	15,223	14,302	6.4
Foreign petro.	35,041	35,660	-1.7
Chemical	2,763	2,420	14.2
Paperboard pkg.	2,036	1,779	14.5
Retail merch.	7,138	6,646	7.4

Mobil Corp., New York, the nation's third largest corporation and second largest oil company, was the 42nd largest national advertiser in 1984 when it increased estimated ad spending 7.8% from a restated $160 million to $172.5 million, most of that going to Montgomery Ward & Co., which Mobil intends to sell.

Despite a continuing energy glut, worldwide sales at Mobil increased 2.5% in 1984 to $60.48 billion. Earnings, meanwhile, fell to $1.27 billion, a drop of 15.6%.

The company has stated it is "taking advantage of the present business climate to prepare ourselves for a better market in the future." One obvious attempt at doing so was the $5.7 billion acquisition of Superior Oil Co., a move that substantially increased Mobil's North American production capacity and reserves, both of which have been named as major corporate goals.

Petroleum operations, both foreign and domestic, was the only segment of the company's four that turned in negative results. Other operating segments are chemical, paperboard packaging and retail merchandising.

Mobil's single biggest ad expenditure was for subsidiary Montgomery Ward, the nation's sixth largest retailer, which operates 322 conventional retail stores, 2,099 catalog facilities, 44 Jefferson Ward upscale discount stores and 38 liquidation centers.

In 1984, Montgomery Ward posted its second consecutive profitable year, with earnings of $53 million on net sales of $6.5 billion. Those figures represented increases of 33% and 8%, respectively.

Montgomery Ward's total measured ad budget for 1984 was $11.1 million, up about 15% from 1983, according to six media figures of Leading National Advertisers. Virtually all ad spending for Ward went into spot tv buys; none went to network tv.

Montgomery Ward's discount retail chain, Jefferson Ward, had measured media spending of $1.4 million after getting almost none in 1983. Again, nearly all Jefferson Ward spending went to spot tv. Newspaper inserts, direct mail and catalog production are among unmeasured media that drive up the retailer's ad budget.

Mobil chairman Rawleigh Warner Jr. announced earlier this year the company's intention to spin off or sell the Montgomery Ward & Co. unit.

That announcement came six months after Ward ceo Stephen Pistner bailed out to become chairman of McCrory Corp., the retail subsidiary of Rapid-American Corp., New York. Bernard Brennan, brother of Sears president Edward Brennan, returned to Montgomery Ward in June to replace Mr. Pistner. Mr. Brennan had been exec vp of Montgomery Ward before leaving to head Household Merchandising, a subsidiary of Household International.

Mr. Brennan returned to Ward in the midst of an austerity and improvement program that may lead to the closing of as many as 100 department stores within two years. Meanwhile, the retailer continued testing a new merchandising strategy that it calls "the seven worlds of Wards." The plan calls for creation of specialized "stores-within-a-store" in seven merchandise areas: Apparel, automotive, home electronics, home furnishings, appliances, recreation and leisure.

In 1984, Ward tested automotive and home electronics units in Las Vegas; home electronics and home furnishings in Colorado Springs, Colo., and Lombard, Ill.; automotive in Phoenix, Ariz., and appliances in Albuquerque, N.M. On Aug. 15, 1985, the company opened its first full-scale prototype store in Annapolis, Md. It planned to open two others later this year, one in Lombard, Ill., and the other in Torrance, Cal.

The company, founded by one of the pioneers of direct merchandising, announced in early August it would abandon its catalog operations at yearend to concentrate on retailing. The move came as a surprise because Ward had begun revamping its catalog operations to focus on specialty catalogs aimed at specific customer groups.

Measured media ad spending for Mobil Chemical Corp.'s Hefty plastic trash bags was slightly more than $12 million, an increase of more than 30% over 1983. In October, Mobil introduced nationally Hefty Cinch Sak trash bags, which sport a yellow drawstring that makes them easy to open, close and lift. Advertising for Cinch Sak was created by Ted Bates Advertising/New York, but the account was awarded to Wells, Rich, Greene, New York, in September. Bates refused to participate in an agency review for the Hefty and Baggies plastic bags accounts, both won by WRG.

Baggies freezer bags were backed with about $3.3 million in measured media support in 1984, split almost evenly between network and spot tv. Mobil spent only about $670,000 in measured media on Baggies food storage bags.

Mobil oil and gas product advertising attracted sizable ad outlays, including about $5 million in measured spending for gas and about $4 million for Mobil 1 motor oil. Advertising for both was concentrated in spot tv buys. Doyle Dane Bernbach, New York, handles the account.

In August, 1984, Mobil was forced to revise ads for Mobil 1 after the National Advertising Division of the Better Business Bureaus found that a superiority claim the company made came up short. In response, Mobil removed the claim, "The best engine protection for your car," from its ads.

The 1984 acquisition of more than 100 service stations in Florida, Texas and Arizona furthered the company's marketing strategy of concentrating in areas of most potential. The company also moved ahead with a worldwide program to construct new stations and refurbish existing ones. Many full-service stations are being transformed into self-service stations combined with "Snack Shop" convenience stores.

Measured spending for Mobil's corporate advertising campaign, also via DDB, held steady at about $4 million. The company in December announced it had "adopted a policy of not having anything to do with" the *Wall Street Journal*, and no longer advertise in or provide information about corporate developments to the *Journal*.

The company said the decision came about "after five years of problems" with the paper, but it apparently was touched off by a Nov. 16 article that described Mobil's plan to build an office tower in Chicago in conjunction with a real estate company that employed a relative of Mr. Warner.

The ad boycott, estimated to cost the *Journal* about $500,000 a year, seemed odd because of the type of corporate advertising Mobil runs: Op-ed messages from Mobil management to the general public, often attacking what it apparently perceives as a liberal bias within the media.

William P. Tavoulareas retired in November after 16 years as Mobil's president-chief operating officer. Allen E. Murray succeeded Mr. Tavoulareas, who will remain with the company as a member of its board of directors. Mr. Murray is expected to become chairman-ceo of Mobil upon Mr. Warner's expected retirement in February, 1986.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	6,757	7,045
Magazines	3,799	3,924
Network cable	1,616	1,299
Spot tv	26,377	20,825
Network tv	11,321	7,170
Spot radio	1,188	2,433
Outdoor	44	53
Farm pubs	932	823
Total measured	52,034	43,571
Total unmeasured	120,466	116,429
Estimated total	172,500	160,000

MOBIL CORP.
150 E. 42nd St.
New York, N.Y. 10017
(212) 883-4242

Corporate Public Affairs Personnel

H. Schmertz, vp
J.B. Merrell, genl mgr

Marketing Personnel

Marketing & Refining Division

R.L. Abbott, vp, genl mgr-mktg
H. Hokamp, genl mgr-resale mktg
R.J. McCool, genl mgr-commercial mktg
K.C. Esty, genl mgr-mktg services
A.G. Spiess, adv mgr

Advertising Agency

Doyle Dane Bernbach, New York—Mobil consumer & public affairs adv—Larry Iannuzzelli, exec vp; W.F. Mattes, senior vp-mgmt super; Anne Oliver, vp-acct super; Les Allison, acct super; Donna Aird, acct exec.

MOBIL CHEMICAL

Marketing Personnel

Plastics Division

Consumer Products Department

P. Luchsinger, vp-mktg & sales
M.L. Sweeney, mgr-mktg services
A. Ferrari, bus mgr-bags
R Cauffman, bus mgr-disposables

Advertising Agency

Wells, Rich, Greene, New York—consumer prod, Hefty bags, Hefty disposable prod, Baggies—Ronald Sherman, president; Bob Moehl, acct group head; Joanne Davis, mgmt super; Brian Craig, acct super.

Packaging Department

R. Sax, mgr-graphics communications
L. Boudens, mkt devel mgr-industrial films
G. Auth, prod mgr-food prod
D. Galbraith, prod mgr-institutional prod

Advertising Agency

Gordon Bailey Associates, Stone Mountain, Ga.—institutional prod—Joe Skillen, acct exec. Industrial films—Ron Strauss, acct exec.

FILMS DIVISION

Design Products Department

E. Simpson, prod mgr

Advertising Agency

Conklin Labs & BeBee, Syracuse, N.Y.—Films division design prod—Thomas Colligen, president.

Commerical Films Department

J. Murphy, prod mgr

Advertising Agency

Hutchins/Young & Rubicam, Rochester, N.Y.—commercial films dept—Larry Smith, acct exec.

MONTGOMERY WARD & CO.

Marketing Personnel

D. Snell, vp-adv & sales promo
C.P. Brewster, media dir

Advertising Agency

Media Bureau International, Chicago—

REACH
those who buy "a vivacious guide to the
garde clubs, artists and designers."
—Newsweek
DETAILS
MAGAZINE

Richard Pickett, president; Norma Wren, vp.

CONTAINER CORP. OF AMERICA

Marketing Personnel

L. Ruhmann, vp-design & mktg
R. Best, mgr-corp mktg communications

Advertising Agency

CPM Inc., Chicago—Norman Goldring, president.

Philip Morris Inc.

New York

RANK 6

($ figures – 000,000)

Worldwide	1984	1983	% chg
Sales	13,814	12,976	6.5
Net income	[illegible]	904	-1.7
U.S.			
Sales	10,034	9,303	7.9
Operating profits	2,150	1,804	19.1
Advertising	570	530	7.7
Division sales			
Tobacco	9,802	9,006	7.8
Beer	2,940	2,936	0.2
Other	1,072	946	13.4

Despite limited success in its cigaret business, 1984 was not particularly hospitable to Philip Morris Co. The nation's 6th largest advertiser faced a year of advertising and marketing shakeups, continuing government and societal pressure, and off-years in its beverage subsidiaries.

New York-based Philip Morris had total U.S. advertising of an estimated $570.4 million in 1984, up 7.7% from 1983. The company reported worldwide revenues of $13.8 billion, up 6.5% from 1983, and net earnings of $888.5 million, down 1.7%. U.S. sales accounted for $10 billion of PM's total revenues.

Philip Morris' business is organized into five operating groups: Philip Morris USA, Philip Morris International, Miller Brewing Co., Seven-Up Co. and Southern California's Mission Viejo Realty Group.

After a sharp decrease in earnings for the fourth quarter of 1984—due to a write-down on Miller Brewing's unused Trenton, O., plant—the cigaret and beverage giant reported earnings increases of 25% each in the first and second quarters of 1985.

In addition, the first-half 1985 cigaret statistics compiled by John Maxwell of Laidlaw Ansbacher show Marlboro brand increasing its No. 1 market share to 22.3% in a declining market.

Despite these successes, barrel shipments of the company's Miller subsidiary and revenues for Seven-Up Co. both were down in 1985's second quarter, reflecting continuing problems in reaching profitability in these two acquisitions of the 1970s.

Of PM's $13.8 billion in revenues, Philip Morris USA, the company's domestic tobacco-products division, contributed 44.5%, or $6.1 billion.

Although its lead decreased slightly, PM remained ahead of R.J. Reynolds Industries as the nation's largest cigaret marketer.

PM, which grabbed the No. 1 position from RJR in 1983, commanded a total market share of 34.5% in 1984, compared with 32% for RJR. PM chalked up a 34.4% share in 1983 vs. RJR's 31.5%.

PM USA upped its measured-media spending, according to Leading National Advertisers, which assembles six major media totals, to $209 million in 1984, up about 12%, in support of a product list that includes three of the nation's top 10 cigaret brands. The division also contributed 75% of PM's 1984 operating profit.

Sources within the tobacco industry say PM's Marlboro brand contributes 60% of that profit.

According to analyst Mr. Maxwell, this world's best-selling cigaret increased its U.S. market share to 21.1% in 1984, up 1%—a remarkable accomplishment in an industry where 0.5% share is considered a success.

Marlboro 25s were rolled out across the nation Jan. 1, 1985. Analysts say PM's strategy with the larger packs—available at the same per-cigaret price as conventional 20-unit packs (25s means 25 cigarets)—is to increase consumption and thus market share in the essentially stagnant cigaret industry. LNA measured-media spending on Marlboro dipped 7.1%, to $55.3 million in 1984.

Reportedly disappointed with the performance of Players, its upscale but popularly priced brand, PM introduced a line extension, Players Lights 25s, into test June 1, 1985. Simultaneously, the company moved Dunhill, another low-tar premium brand targeted at an upscale audience, into test. Two PM agencies, Leo Burnett USA and Wells, Rich, Greene, are handling the test campaigns for Players Lights and Dunhill, respectively.

After 1983, its big introductory year, when LNA measured ad spending totaled $41.5 million, Players' ad support predictably leveled off at $17.4 million, as PM directed ad dollars to support sagging brands.

Merit, the nation's No. 7 brand, received a 42.4% boost in LNA-reported ad dollars, to $45.4 million, partly in support of the November rollout of low-tar Merit in boxes. The brand's market share dropped from 4.4% to 4.1% in 1984 and remained there for the first six months of 1985.

Benson & Hedges also received renewed ad support, as LNA measured-media spending rose 11.2%, to $37.1 million. The No. 5 cigaret watched market share slip to 4.8% in 1984 and to 4.7% most recently, from 1983's 5%.

In 1984, PM withdrew Cambridge, Saratoga and Raffles from test market, as well as its Virginia Slims line extension, Ovals 100s, pulled after a five-month test. Presumably PM is scuttling the brands. Total ad spending for the Virginia Slims brand decreased slightly, to $26.5 million, in 1984, according to LNA.

After considerable talk about working on new creative approaches with Doyle Dane Bernbach, New York, PM shifted the creative work on its Parliament brand to the longtime Miller agency, Backer & Spielvogel, New York. Parliament, which had dropped to a 1% market share by 1984, received no measured ad spending last year.

Although PM as yet has no entry in the cigaret industry's fastest-growing segment, low-priced generics, the company has left the door open for that possible expansion.

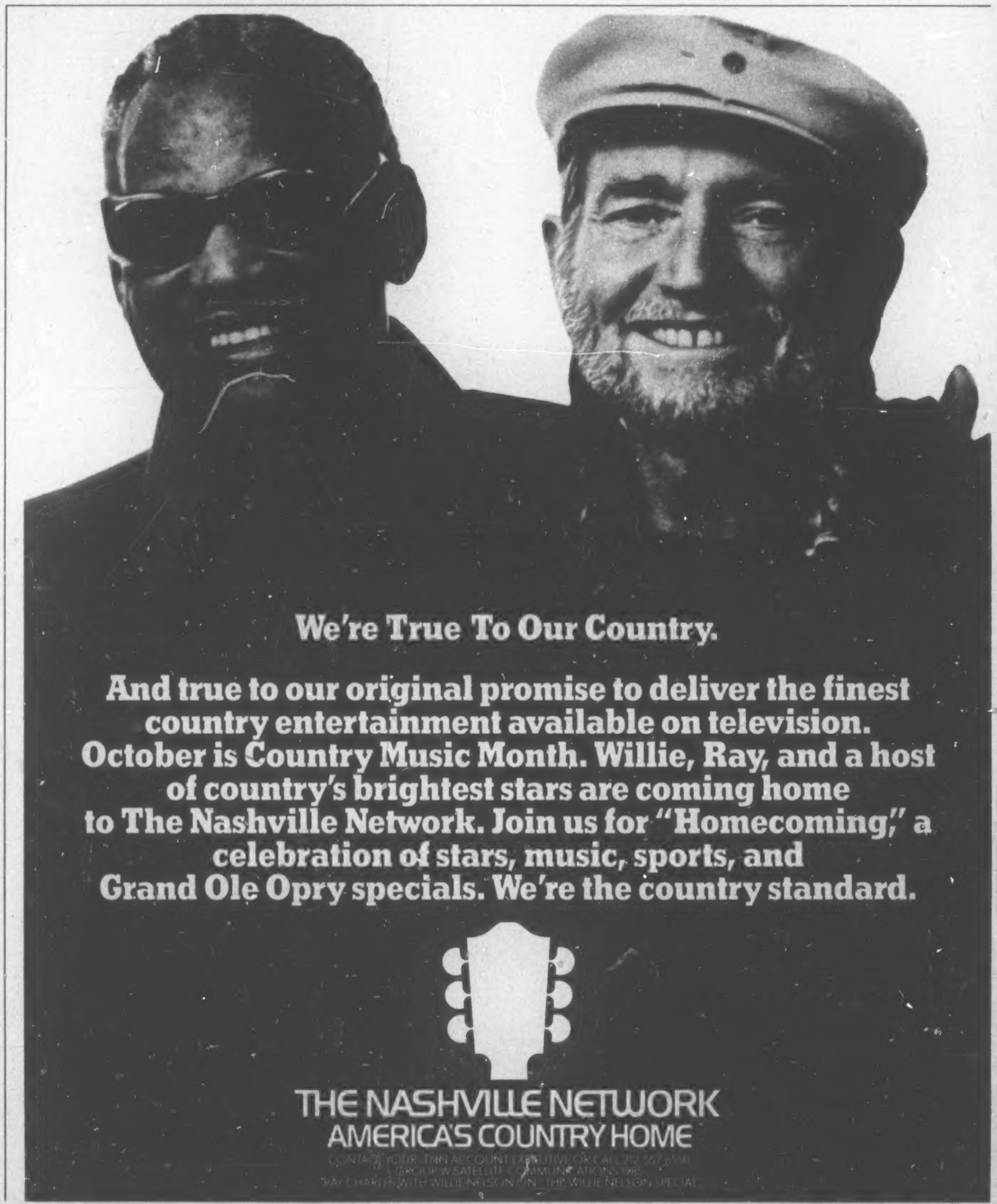
Philip Morris International, which coordinates overseas sales of both PM tobacco products and soft drinks, achieved revenues of $3.74 billion, up 2.5%, and operating profits of $420.9 million, up 15%.

Milwaukee-based Miller Brewing, still struggling to right the slipping market share of its flagship High Life brand, reported 1984 revenues up 0.2% to $2.94 billion—representing 21.2% of PM's business. Operating profits were $116.2 million, down 48.9%.

The decline in operating profits primarily was the result of writing down the assets of Miller's newly completed Trenton, O., brewery to net value levels. The new facility remains fallow because of general market declines in beer sales, including sales of Miller High Life, and improved productivity in other Miller breweries.

According to Beverage Industry statistics, Miller's total shipments rose slightly in 1984, from 37.4 million bbls. to 37.9 million bbls. That increase, however, was primarily because of the introduction of two popular-priced brands, Meister Brau and Milwaukee's Best; High Life shipments fell 15%, to 14.5 million bbls. in 1984, while Lite shipments remained virtually unchanged.

Miller held even with an over-all U.S. market share of 21% of total industry shipments in 1984, as estimated by R.S. Weinberg & Associates, St. Louis. That placed Miller second behind giant Anheuser-Busch (which increased its share to 36% from 1983's 33.6%) and far ahead of No. 3 Stroh



We're True To Our Country.

And true to our original promise to deliver the finest country entertainment available on television. October is Country Music Month. Willie, Ray, and a host of country's brightest stars are coming home to The Nashville Network. Join us for "Homecoming," a celebration of stars, music, sports, and Grand Ole Opry specials. We're the country standard.

THE NASHVILLE NETWORK
AMERICA'S COUNTRY HOME

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© GROUP W SATELLITE COMMUNICATIONS 1985
RAY CHARLES WITH WILLIE NELSON ON "THE WILLIE NELSON SPECIAL"

Brewery, at 13.4%. Miller's industry market share peaked in 1981, at 22.5%; A-B has increased steadily its over-all share of shipments.

Miller is trying to boost sagging market share, shipments and profits with continuing attempts to revitalize High Life and by expanding its product line. That latter helps satisfy volume requirements of distributors and retains shelf and cooler space in retail outlets.

Although everything from the U.S. economy and the product formula to Lite's cannibalizing influence has been tossed out as a reason for High Life's decline, sources say PM blames poor advertising and market positioning for at least part of the brand's six-year sales slide.

Accordingly, on Nov. 12, advertising for the nation's No. 3 beer brand was shifted to J. Walter Thompson USA, New York, from Backer & Spielvogel after a drawn-out, 11-month review. During the process, several key members of the High Life brand-management team resigned from Miller.

LNA measured-media spending in six media for High Life increased 11%, to $57.2 million, over 1983. Although creative responsibility for High Life has moved to JWT, media buying for all Miller brands remains in the hands of Backer & Spielvogel, New York, which had control of the High Life account since 1979.

Other agencies participating in the High Life review received assignments from Miller. PM favorite Leo Burnett USA, Chicago, was handed Sharp's LA low-alcohol product, while Chiat/Day, New York, took the new Plank Road premium brand, which moved into test in October, 1984. Six-media spending for Plank Road totaled $421,000 in 1984; Sharp's received $798,000.

JWT received an early thanks for its "Made the American Way" High Life work when its Chicago office was awarded Miller's Lowenbrau account in July. Ad spending for the superpremium beer, suffering from competition with A-B's Michelob brands, declined 10.5% in 1984, to $18.6 million. *Beverage Industry* reports Lowenbrau production fell 20% in 1984, as the brand's shipments declined to 1.2 million bbls.

Despite losing High Life and Lowenbrau, however, Backer & Spielvogel retained Miller's largest account, Lite. LNA measured-media spending for the nation's No. 2 beer rose 33%, to $67 million, in 1984; shipments stayed even at 18 million bbls. Although industry insiders have reported some grumbling between client and agency about the freshness of Lite's longtime celebrity sports stars campaign, B&S continues to produce the "less filling-tastes great" ads.

Lite has retained nearly 50% of the market, depite the influx of brewers into the light beer category. A-B's Bud Light, however, came on strong with nearly a 10% increase in shipments in 1984. *Beverage Industry* editor Gary Hemphill predicts the brand's 1985 numbers will look even stronger.

B&S also retained creative control over Meister Brau, Miller's October, 1983, entry into the popular-priced beer category—a segment growing much faster than anyone had expected. Meister Brau, acquired by Miller in the 1970s under PM, was reintroduced and positioned as a lower-priced alternative to A-B's Budweiser. Meister Brau received $21.3 million in LNA measured-media support during 1984; spending for Milwaukee's Best, another popular-priced beer introduced in spring, 1984, hit $4 million. Shipments for each totaled 2 million bbls. in 1984.

Although pulling Miller Special Reserve superpremium beer from the market in 1984, the brewer recently put yet another new beer, Miller High Life Genuine Draft, into test in the Midwest.

Despite this boom in new products, Miller keeps its new but never-used Trenton, O., facility vacant; industry analysts estimate that Miller's 1984 production was 15% below the capacity of its half-dozen plants. The brewer also reduced its work force in September, 1984.

Like Miller, thus far in 1985, advertising battles have made the biggest news for PM's Seven-Up Co. subsidiary, as seven-year agency N W Ayer was fired in July. Longtime PM agency, Leo Burnett, will take over the estimated $60 million account in October, 1985.

Seven-Up posted a 2% sales increase in 1984, as case shipments rose to 479.5 million. That growth, however, lagged far behind the total industry's 6.1% increase.

LNA measured-media spending for flagship 7UP brand rose to $22.8 million in 1984, up about 8.8%—similar to 1983's increase. Sales for brand 7UP increased slightly in 1984, to 355.5 million cases, representing 5.2% of the total U.S. soft drink market.

Diet 7UP had a banner year, posting an 11.6% increase in shipments and claiming a 1.4% market share. LNA figures for Diet 7UP show 1984 spending at nearly $12 million, up a slight 0.9% from 1983.

Although 7UP and Diet 7UP together still hold 51.7% of the lemon-lime soft drink market, according to *Beverage Industry*, the company faces a tough challenge from Coca-Cola USA's renewed focus on Sprite and diet Sprite. The latter two brands received $30.7 million in LNA measured-media spending in 1984, up more than 18% from 1983. Spending was especially heavy for diet Sprite, which received $7.5 million, up nearly 60%.

Apparently, the bet has paid off for Coca-Cola; combined sales of Sprite and diet Sprite rose to 301.5 million cases in 1984, representing 34.6% of the lemon-lime market. That's a 24.6% increase in case sales over 1983, leaving Seven-Up's 3.1% total sales increase in the dust.

In addition, PepsiCo has rolled its with-juice Slice product into major markets. Although numbers are scarce, Mr. Hemphill says Slice is doing very well in preliminary reports.

Despite these signals that the nation's two largest soft-drink companies may be invading Seven-Up's territory with a vengeance, the No. 3 producer in 1984 reported its first profitable year since 1979 (the year after it was acquired by PM). The subsidiary reported revenues of $734 million in 1984, up 12.9% from 1983, and operating income of $5.3 million, up from a loss in 1983 of $10.8 million.

Burnett had been handling Seven-Up's new products and international accounts since 1983, and was awarded from Ayer the domestic account after a reported client-agency dispute over the resurrection of the company's "Uncola" theme. Created in 1968 by then-Seven-Up agency JWT, the theme returned in spring's "Un's the One" ads, which replaced Ayer's previous no-caffeine emphasis.

Both of Seven-Up's low-calorie drinks, Diet 7UP and Sugar Free Like cola, were reintroduced with a 100% NutraSweet formulation during 1984. In addition, Like and Sugar Free Like, introduced in 1982, were reformulated recently. Typical of Seven-Up's problems, the new products were introduced almost simultaneously with Coca-Cola's flashy debut of its new Coke.

Like cola, Mr. Hemphill says, has three basic problems stymieing growth. First, he says, the no-caffeine market is not as strong as many bottlers hoped. On top of that, most of the consumers interested in a caffeine-free drink also want that product to be sugar-free (which may account, he says, for Sugar-Free Like's 1984 sales increase of 19% in the face of regular Like's 16.7% decline). Finally, the lack of available bottlers has knocked Like out of several markets; most bottle either rival Coke or Pepsi.

Reflecting those problems and the reformulation, LNA measured-media spending for Like and Sugar Free Like was cut in half during 1984, dropping to $5.8 million.

Seven-Up also consolidated its food products companies into two divisions, the freeze dried division and the citrus products division. The California-based citrus products division has rolled Juice Up frozen concentrated lemonade and lemon-limeade—branded with the 7UP logo—into markets nationwide.

PM sold its Philip Morris Industrial division in two separate transactions in early 1985, commenting that the paper-products businesses did not fit into the company's longterm strategies.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	69,023	65,272
Magazines	140,070	140,367
Network cable	1,642	2,182
Spot tv	46,589	50,462
Network tv	161,716	128,266
Spot radio	26,445	22,483
Outdoor	54,951	55,211
Total measured	500,435	464,241
Total unmeasured	70,000	65,453
Estimated total	570,435	529,694

PHILIP MORRIS CO.
120 Park Ave.
New York, N.Y. 10017
(212) 880-5000

PHILIP MORRIS USA
Marketing Personnel
William I. Campbell, exec vp-mktg
James L. Thompson, vp-media
Vincent J. Buccellato, vp-sales
John J. Gillis, vp-natl accts
Edwin J. McQuigg, dir-sales services
Thomas R. Keim, dir-mktg communications
Robert P. Roper, Ellen Merlo, group dirs-brand mgmt
James Spector, dir-new brand mgmt
Jon N. Zoler, dir-mktg rsch
William K. Cutler, dir-merch materials
Claude A. Beck, dir-media
Vincent J. Weiner, dir-special media
Richard L. Stirlen, brand mgr-Merit
H.H. Foster, brand mgr-Benson & Hedges
Cathy L. Leiber, brand mgr-Virginia Slims
Duane T. Watts, brand mgr-Players, Parliament, Saratoga
Susan H. Alter, mgr-new brand devel
James A. Scully Jr., mgr-brand programs, Marlboro
Celestia B. Kohl, mgr-brand programs, Virginia Slims

Advertising Agencies

Backer & Spielvogel, New York—Parliament—Chuck Nemetz, vp-acct dir; Carol Turrentine, acct super.

Leo Burnett USA, Chicago—Marlboro, Merit, Virginia Slims, new prod—Jim Oates, acct dir, Marlboro; Peter Volz, acct dir, Virginia Slims, Merit, new prod.

Wells, Rich, Greene, New York—Benson & Hedges, Players—Jayne Eastman, senior vp-acct group head; Frank Mangin, mgmt super; Arnold Weinrib, senior vp-acct mgmt; John Chandler, acct exec, new prod; Harry Kannar, acct exec, Players; Julie Tracy, acct exec, Benson & Hedges; Peter Dolgin, junior acct exec, Benson & Hedges; Irene Cyprus, junior acct exec, new prod.

PHILIP MORRIS INTERNATIONAL
New York, N.Y.
Marketing Personnel
Elizabeth Butson, vp-mktg services, PMI
Dominick Mazzitelli, dir-mktg services, Seven-Up Intl
Franklin Caton, mgr-mktg support services, PMI
Alice Liu, mgr-consumer rsch
Inga Vought, adv coord, PMI

Advertising Agency

Leo Burnett USA, Chicago—Jim Oates, acct dir.

MILLER BREWING CO.
Milwaukee, Wis.
Marketing Personnel
Bob Toledo, vp-brand mgmt
Leonard J. Goldstein, vp-sales
Thomas B. Shropshire, senior vp-mkt planning, asst to the president, treasurer
Jerome F. Schmutte, group prod dir, Miller High Life
Jay R. Neidenberg, group prod dir, Lite, Meister Brau, Lowenbrau, Milwaukee's Best, Magnum
William H. Barrett, dir-mktg services
Tamara J. Hauck, brand mgr, Lowenbrau
Michael J. Boykin, brand mgr, Meister Brau, Milwaukee's Best, Magnum
Thomas M. Greak, new prod brand mgr

Advertising Agencies

Backer & Spielvogel, New York—Lite, Meister Brau, Milwaukee's Best, new prod—Jeffrey Palmer, senior vp-group mgmt rep; Constantine Scaros, senior vp-mgmt super, new prod; Howard K. Sherman, vp-acct dir; Frank Assuma, vp-mgmt ser; Michael R. Russell, acct super; Roberto Calderin, acct super-Hispanic; Carolyn Curtis, J. Russell Isaac, Thomas J. Mendl, acct execs; William C. Renwick, asst acct exec.

Leo Burnett USA, Chicago—Sharp's LA—John Kovos, acct dir; Bob Heller, acct super; Mark Zimmerman, acct exec.

Chiat/Day, New York—Plank Road—Tom Carroll, mgmt super; Steve Mitgang, acct exec; Lauren Press, acct planner.

Mendoza, Dillon & Associados, Newport Beach, Cal.—Hispanic adv, Miller High Life, Miller Life, Lowenbrau—Eduardo Del Rivero, vp-client services, acct super.

Mingo Jones Advertising, New York—genl & black mktg, Miller High Life, Lite Beer. Miller High Life—Sam Chisholm, senior vp-dir client services; Jon Williams, vp-mgmt super; Bill McGugins, acct super. Lite—Sam Chisholm, senior vp-dir client services; Roland Chandler, mgmt super.

J. Walter Thompson USA, Chicago—Lowenbrau—William Howard, senior vp-acct dir.

J. Walter Thompson USA, New York—High Life—Steven Bowen, genl mgr, exec vp; Jim Heekin, senior vp-mgmt dir; Marty Susz, vp-senior acct super; Andrew Rider, vp-acct super; Ander Wensberg, acct exec.

SEVEN-UP CO.
St. Louis, Mo.
Marketing Personnel
Edward W. Frantel, president
Charles W. Schmid, exec vp
David Haffner, vp-brand mgmt
Anthony J. Rebello, dir-foodservice prod
Ralph L. Countryman Jr., vp-media services
David L. Smith, vp-creative services
Brian H. Schuyler, dir-brand planning

Advertising Agency

Leo Burnett USA, Chicago—7UP, Diet 7UP, Like—John Kozas, acct dir.

OREGON FREEZE DRIED FOODS
Marketing Personnel
Ellis M. Byer, chmn of the board
Herbert Aschkenasy, president
William Impey, dir-mktg & sales

Advertising Agency

Evans/Portland, Portland, Ore.—freeze dried foods, Mountain House—Jim Clune, acct super.

MISSION VIEJO CO.
Mission Viejo, Cal.
Marketing Personnel
Philip J. Reilly, president
James G. Gilleran, exec vp
Jack G. Raub, James G. Toepfer, exec vps

Advertising Agency

William Green Associates, Costa Mesa, Cal.—Bill Green, president; Pauline Johnson, Dave Martin, acct execs.

RANK
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Nabisco Brands

Parsippany, N.J.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	6,253	5,985	4.5
Net income	309	323	-4.2
U.S.			
Sales	3,950	3,622	9.1
Operating profits	451	475	-5.1
Advertising	335	250	33.8
Division sales			
Biscuit prods.	1,799	1,549	16.1
Confectionary	1,110	1,053	5.4
Grocery prods.	1,041	1,020	2.1

Nabisco Brands, which merged with R.J. Reynolds Industries in June, 1985, during 1984 ranked 21st among the nation's leading advertisers with an estimated $335 million in spending on U.S. advertising and promotion, compared with a restated $250.3 million in 1983, or an increase of 33.8%.

The Parsippany, N.J., company, which beefed up its ad and promotional spending worldwide by 30% to $478.5 million, plowed a major chunk of its domestic budget into Almost Home cookies, which is battling in the dynamic soft cookie market against such competitors as Frito-Lay, Keebler and Procter & Gamble.

The extraordinary marketing expenses had an impact on the company's 1984 earnings. Over-all earnings were $308.9 million, down 4.2%, on sales of $6.25 billion, up 4.5%. Nabisco Brands USA, the company's domestic operation, contributed sales of $3.95 billion, a 9.1% increase over the previous year, although operating income declined 5% to $451 million.

The segment of Nabisco's domestic business that attracted the most attention in 1984 was the biscuit division, home of cookie products, Oreo, Chips Ahoy! and Almost Home, as well as Ritz premium crackers.

Sales of $1.8 billion were recorded for that division in 1984, a 16.1% increase over the previous year. Operating income was $177 million, down 15.3%. The division received an aggregate $47.4 million of measured advertising, up 53.9% from 1983. Nabisco's cookies got $27.9 million of the division spending.

The Oreo chocolate sandwich cookie is the world's best-selling package cookie, but even Oreo could not do to the $4.2 billion cookie market what the introduction of the moist and chewy brands did when they were introduced in 1982.

Even though many of the line extensions were not in national distribution through all of 1984, the package cookie segment grew by 24% over-all, thanks to Procter & Gamble's Duncan Hines chocolate chip cookies, Frito-Lay's GrandMa's Rich 'n Chewy cookies, Keebler's Soft Batch and Nabisco's Almost Home. The volume increase was more than double the 9% increase registered by the total industry.

Nabisco entered the cookie wars in August, 1983, when it introduced its 15-item line to 10% of the country.

Called the "king of cookies" by analyst Stanley H. Fishman of Fahnestock & Co., Nabisco introduced its Almost Home line to protect its market-leading position. Not only did Nabisco maintain market share, but with the Almost Home line contributing annual sales approaching $250 million for the first year, the company's market share increased to almost 40%.

Nabisco's biscuit division in 1984 introduced into test a blueberry flavor addition to the Newton cookie line, which also includes apple and fig. The Chips Ahoy! line also was extended, and through a licensing agreement with Popsicle Industries, Oreo Cookies 'n Cream ice cream made its debut.

REACH
those "who find *Vogue* too tony, *W* [illegible]
and *Interview* too passé . . ."
—USA Today
DETAILS
M A G A Z I N E

Nabisco's Ritz crackers, supported by $4.7 million of measured advertising, completed 50 years on store shelves and maintained market leadership with a volume gain of 3%. A new snack cracker, Herbs & Spice Twigs, was introduced early in the year, and low-salt varieties of Triscuit Wafers and Wheat Thins made their debuts during the year. The introductions received nearly $3 million in measured advertising.

The snack cracker lines were given a heavy boost in the early stages of 1985. Advertising and trade support for Wheat Thins, Better Cheddars, Great Crisps! and Triscuits focused on health and nutrition plus convenience, and included network tv and free-standing inserts in Sunday newspapers.

Nabisco extended its Mr. Salty snack food line, adding seven new products for a total of 10. Mr. Salty is the country's top-selling pretzel. The new products were introduced with a campaign that included newspaper inserts and was supported by an additional $7[illegible]0,000 of measured advertising.

Nabisco's confectionery and snack products segments had sales of $1.11 billion in 1984, up 5.4%, and operating income of $134 million, up 5.5%. Both represented gains over the previous year. Life Savers and Breath Savers sugarless candy, both market leaders gained in market share—Life Savers to 87% of the hard-rolled candy market. In the mint-flavored market, Life Savers took 13% of market and Breath Savers 12%, a combined total close to market leader Warner-Lambert's Certs at 29%. The products were backed by heavy media advertising, $7.8 million for Life Savers and $4.5 million for Breath Savers, all in tv and radio.

In bubble gum categories, Nabisco's Bubble Yum and Care*Free's sugarless bubble gum, are the market leaders. Bubble Yum was supported by $4.3 million of measured media advertising. Care*Free's advertising support totaled $7.4 million.

Nearly $2.5 million in measured advertising support helped introduce Bonkers! chewy fruit candy last year in the fastest-growing industry category. A strong "Guaranteed Fresh" advertising campaign for Butterfinger and Baby Ruth candy bars led to significant sales increases for the brands during 1984. The $5.1 million campaign in measured media was coupled with merchandising help from the Life Savers sales force.

In the meantime, Planters Nuts maintained its position as the top-selling nut brand, even though the brand did experience a volume decline. More than $18 million in measured advertising backed the various Planters products in 1984, and indications are that 1985 will see product innovations and new introductions in an effort to stimulate sales. A new product, Planters Sweet-N-Crunchy peanuts, was available throughout the country in February, 1985.

Charleston Chew candy bar, Eat More candy bar, Glosettes candy, Junior Mints candy, Sugar Babies candy and Sugar Daddys together together got less than $500,000 in spending.

Nabisco's third domestic segment, the grocery products division, contributed sales of $1.04 billion, up 2.1%, with earnings of $140 million, up only 0.7%. The segment includes Nabisco cereals, cold and hot, pet foods and Fleischmann's margarine and yeast.

Shredded Wheat is Nabisco's best-known and best-selling entry in the cold cereal category, and it receives a sizable chunk of the company's advertising dollars. In 1984, that amount grew to $6 million, up substantially from $1.8 million the previous year. The line also includes Spoon Size Shredded Wheat and Toasted Wheat & Raisins, a recent addition and an answer to consumer demand for fruit.

Nabisco teamed up with GTE Sprint for a promotional campaign, which had as its central theme "Phone home for the holidays." Ten million specially marked boxes of Shredded Wheat in 30,000 grocery stores around the country carried the offer of a $5 credit on long-distance calls, redeemed with two proofs of purchase.

In the hot cereal category, which is experiencing resurgence as a result of the popularity of instant cereals, Nabisco's Mix & Eat Cream of Wheat and regular Cream of Rice gained close to a 20% share of the market. Measured advertising support for the brands exceeded $1.1 million.

Advertising expenditures for Nabisco's pet snacks were down last year, although Milk-Bone brand dog biscuits remained the market leader in that category. Measured ad spending included $1.25 million for Milk-Bone Butcher Bones biscuits and $3.6 million for Milk-Bone dog biscuits.

Nabisco's efforts to stimulate the use of its home-baked products consisted of the introduction, in 1983, of Home Hearth yeast bread mix that requires no kneading or second rising and, in 1984, the debut of Fleischmann's RapidRise yeast, advertised as cutting rising time in half.

In the $50 million yeast market, Fleischmann's is the clear leader, and its recent moves are a clear indication it intends to stay there and build the market.

RapidRise got more than $10 million in introductory spending, much of which went into couponing. Fleischmann's Light margarine was supported by $2.9 million in measured advertising.

It appears that Nabisco will give cable tv a greater role in its ad media mix given the company's September, 1984, purchase of 20% of Entertainment & Sports Programming Network for $60 million from ABC. ABC had bought it earlier in the year from Texaco. In the deal, the principals of Ohlmeyer Communications, which Nabisco co-owns with principals Don Ohlmeyer, chairman, and Dean Heitler, president, will consult and advise ESPN in marketing and programing. Messrs. Martin and Ohlmeyer also will serve on the ESPN board. Mr. Ohlmeyer was a former executive producer at NBC Sports. ESPN has clinched a three-year, $70 million deal with the United States Football League to broadcast its games.

Nabisco spending of $1.7 million on network cable tv in 1984 more than tripled its spending on that medium in 1983.

In management changes, John Greeniaus was named president of the biscuit division. He had headed the company's London operations. Larry Kleinberg became president of the combined Planters/Life Savers division. He was former president of Life Savers.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	5,466	6,174
Magazines	10,966	9,168
Network cable	1,731	577
Spot tv	30,069	22,127
Network tv	75,803	82,018
Spot radio	737	985
Network radio	4,938	4,696
Outdoor	123	364
Total measured	129,834	126,107
Total unmeasured	205,143	124,206
Estimated total	334,977	250,313

NABISCO BRANDS USA
Nabisco Brands Plaza
Route 10
Parsippany, N.J. 07054
(201) 898-7100

Marketing Personnel

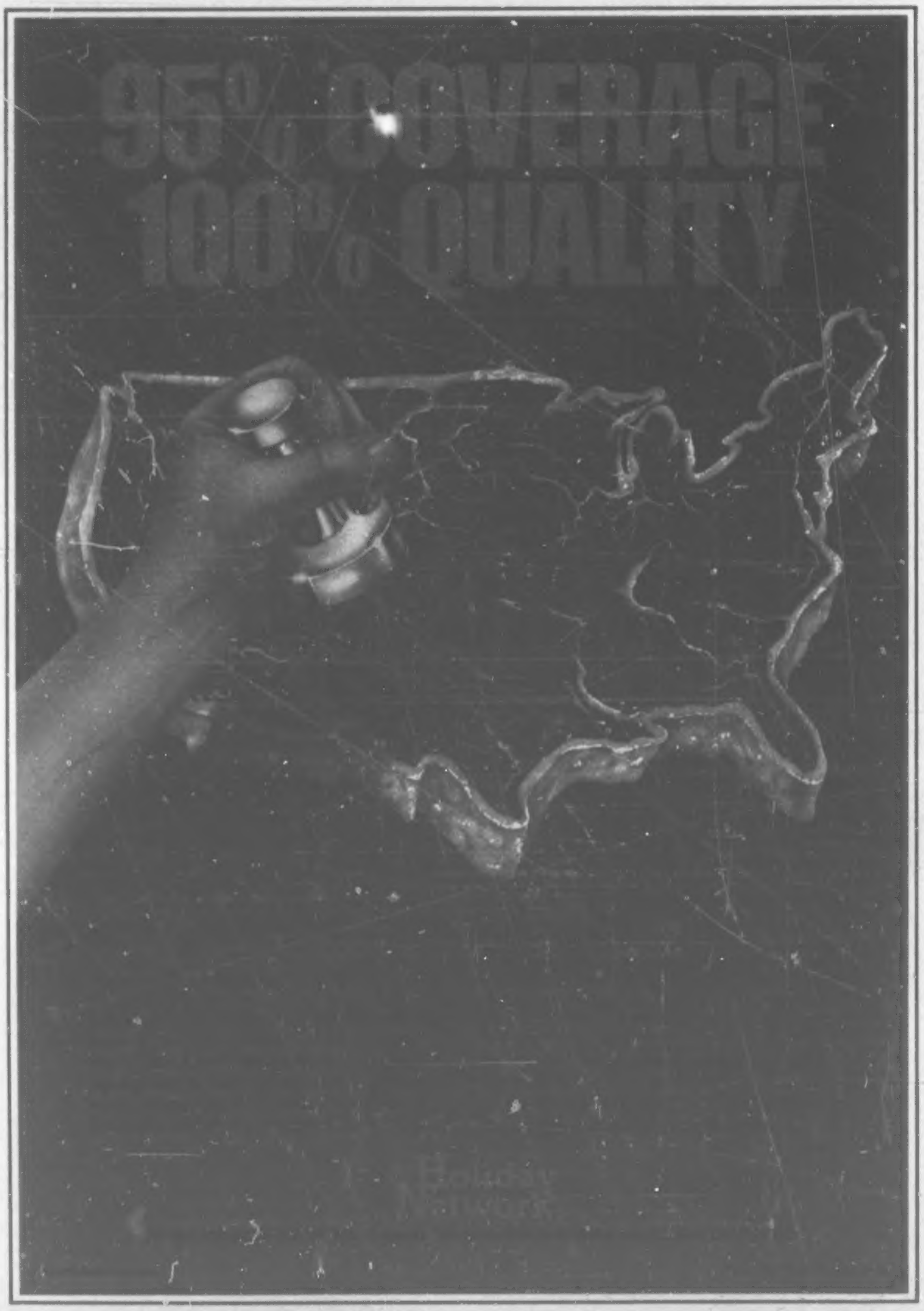
Robert J. Carbonell, president, Nabisco Brands USA
Peter N. Rogers, exec vp, president, Biscuit Group
Claude P. Hampton, senior vp-group exec
Edward P. Redding, senior vp-group exec
John H. Clarke, exec vp-corp technology
Ray Wright, senior vp-finance, Nabisco Brands USA
Harold E. Powell, exec vp-admin

Marketing Services

W. Lee Abbott, vp-Nabisco Brands USA
Samuel B. Haines, div vp-mktg support
Louis J. Rubinacci, dir-media
Ronald C. Roedema, dir-sales promo

BISCUIT DIVISION
Marketing Personnel

Peter Rogers, president, exec vp-NB USA
Neil Westermayer, vp-mktg
William Stuart, dir-mktg, sweet goods
Robert Lanham, dir-mktg, crackers
William Brown, dir-mktg, snacks
Dante Bonardi, dir-adv



Advertising Agencies

Dancer Fitzgerald Sample, New York—Almost Home cookies—Brad Kuhardt, acct exec; S. Hart, acct super; R. Caro, mgmt super; J. Mack, mgmt dir.

William Esty Co., New York—cookies, crackers, snack foods—T. Hayes, senior vp-mgmt super; Peyton Sise, vp-mgmt super.

Ohlmeyer Communications Co., New York- -(joint venture with Nabisco), crackers—Dean Heitler, president.

NABISCO CONFECTIONS INC.

Cambridge, Mass.

Marketing Personnel

Edward L. Bjornson, president
David Evanich, vp-mktg

Advertising Agency

Arnold & Co., Boston—J. Brown, acct super; L. Green, acct dir.

FOOD SERVICE DIVISION

East Hanover, N.J.

Marketing Personnel

William J. Tobin, president
John T. Mitchell, vp-mktg
William Jones, vp-sales

Advertising Agency

The Food Group, New York—D. Axelrod, president.

MARGARINE DIVISION

Marketing Personnel

Ellen R. Marram, vp-mktg
Roger L. Wagner, dir, margarine prod
Robin Schofield, dir, desserts prod

Advertising Agencies

Ted Chin, New York—Royal desserts, Egg Beaters—Ted Chin, president; R. Dillon, acct exec.

Deltakos, New York—pharmaceutical adv, Fleischmann's Lite, Egg Beaters—Victoria N. Roberts, vp-acct exec.

GROCERY PRODUCTS DIVISION

Marketing Personnel

George A. Erfurt, vp-mktg
Ruth L. Brodsky, group brand mgr-hot cereals, Dromedary prod
Stephen G. Wilkerson, group brand mgr-pet snacks
Marianne B. MacManus, senior brand mgr-ready-to-eat cereals

Advertising Agencies

William Esty Co., New York—Milk-Bone brand pet snacks—Colleen Gowl, mgmt super.

McCann-Erickson, New York—rte & hot cereals, Dromedary prod—Marsha Badanes, senior vp-mgmt rep; G. Schwinder, acct dir; P. Higgins, acct super.

J. Walter Thompson, New York—Home Hearth bread mixes, Fleischmann's yeast—J. Birkbeck, acct super; Robert M. Bird, mgmt super.

ALL BRAND IMPORTERS

New York, N.Y.

Marketing Personnel

P.F. Lohmeyer, chmn
John J. Kucich, president
Leo Begleiter, senior vp-mktg

Advertising Agency

Bloom Agency, New York—J. Signorile, acct super; Brad Friedman, asst acct exec; Steve McCloskey, senior vp.

LIFE SAVERS INC.

Parsippany, N.J.

Marketing Personnel

Robert W. Denny, vp-mktg
Eric N. Shullman, dir-mktg
Michael W. Gretz, dir-mktg, Curtiss

Advertising Agencies

Bozell & Jacobs, New York—Baby Ruth, Butterfinger—Ron Benza, senior vp-mgmt super; Michele Kay, Steve Centrilla, vps-acct supers.

Dancer Fitzgerald Sample, New York—Life Savers prod—Joseph P. Mack, exec vp-mgmt dir; R. Egan, senior vp-mgmt super; Marty Gertler, Suzanne Tongue, Terry Loar, acct supers.

PLANTERS

Parsippany, N.J.

Marketing Personnel

W. VonPein, exec vp
D. Smiley, dir-adv, consumer promo
Robert Wienke, dir-snacks, oils, new prod
David Bacon, group prod mgr-oil/dry roast nuts

RANK
39

Nestle Enterprises

White Plains, N.Y.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	5,100	2,508	103.3
Net income	N/A	N/A	N/A
Advertising	187	169	10.4

Nestle Enterprises, the Vevey, Switzerland-based food giant which increased its presence in the U.S. market in 1984 by acquiring Carnation Co. and Hills Bros., spent $186.9 million in estimated U.S. advertising, up 10.4% from 1983, ranking it as the 39th largest national advertiser.

The privately held company, whose U.S. operations are based in White Plains, N.Y., generated less than one-fourth of its worldwide sales from the U.S. operations prior to the Carnation acquisition, but now Nestle is thought to obtain one-third of its sales from the U.S. operations.

Prior to its acquisition spree, Nestle had sales of an estimated $10 billion in 1983, up slightly over the prior year. Carnation will add another $3.37 billion (1983 figure) to that $2.2 billion of which was domestic. Together, Nestle and Carnation would generate an estimated $5.1 billion in U.S. sales. Carnation's brands added to those of Nestle have created a powerful advertising force, one whose measured spending in 1984 was estimated at $148.3 million, up 54.9% over 1983 (includes Carnation).

Carnation in 1983 had total ad spending of an estimated $54.3 million, which included a measured media total of $39.3 million.

The Carnation acquisition brings to the Nestle product mix several pet food lines.

In this area, Nestle will be plowing new ground, since it has had no presence in that market.

Significant advertising expenditures in this category in 1984 were for Bright Eyes canned cat food, $3.78 million, up from only $889,300 in 1983; Carnation Come 'N Get It dry dog food, $900,000, down from $3 million; Fancy Feast canned cat food, $4.4 million, up from $3.9 million; Friskies Canned Buffet cat food, $3.2 million, down from $4.2 million; Friskies dry cat food, $7.16 million, up from $3.1 million; and Mighty Dog canned dog food, $4.2 million, up from $3.9 million.

The total almost matched ad spending for all of Carnation's pet food products the year before.

Acquiring Carnation made the biggest splash, but Nestle also bought Fruit Crest, a Florida-based juice company in 1984, and then in January, 1985, purchased Hills Bros., San Francisco.

In the meantime, the company also picked up Ward-Johnston Co., a Chicago candy marketer. Foremost among the Ward-Johnston candies are O Henry!, Chunky, Bit-O-Honey, Goobers and Raisinets.

Nestle threw its considerable advertising muscle behind its chocolate candy bar and Nestle's morsels in 1984. Total measured ad spending for the two was $21.1 million.

This was down fractionally from 1983 spending, according to six-media measurements in Leading National Advertisers.

As the Ward-Johnston line formed a nice fit with Nestle's other candies, so did the Hills Bros. acquisition fit nicely with Nestle's coffee lines. Nestle S.A. managing director Helmut Maucher, in an interview with ADVERTISING AGE, described it as an important first step in establishing Nestle in the domestic roast and ground coffee market.

Before the Hills Bros. acquisition, Nestle's coffee presence in this country was in the instant coffee market, with Nescafe, Taster's Choice and Sunrise. Nestle had 25.8% of the soluble coffee market. Hills Bros. has a 7.4% share of the ground coffee market.

Building its coffee presence further, Nestle in May, 1985, acquired MJB Co., a San Francisco-based coffee, tea and rice producer. Add the Hills Bros.' purchase in September, 1984, of Miami-based Chase & Sanborn—popular in the Northeast and Southeast—and Nestle has gained U.S.-wide coverage.

Such moves underscored the Nestle philosophy of growth through acquisition. And in this case, Nestle had reason to move aggressively into the ground roast market inasmuch as the instant market has remained relatively flat.

With level sales of instant brands in 1984, Nestle remained No. 2 behind General Foods, even though the leader's market share declined three-tenths to 44%.

On the other hand, ground coffee consumption is on the increase. Nestle faces an uphill climb, because General Foods and Procter & Gamble between them hold more than 60% of the U.S. coffee business.

Merely establishing a presence in the ground roast market will not necessarily guarantee increasing market shares for Nestle and Hills Bros. A new entry in the premium coffee market was Gold Blend, which Hills Bros. began testing in the fall, 1984, in Green Bay, Wis.

And while Nestle invaded the ground roast market with Hills Bros. and other coffees, the company also took steps to pump new life into Nescafe, Taster's Choice and Sunrise, its instant brands.

The company spent heavily—some estimates placed the spending at an annual rate of $30 million—to introduce Nescafe Custom Blended coffees, a line of four instants with differing flavors.

Still another Nestle brand, Taster's Choice, attempted a repositioning by scrapping its "Times like these are made for Taster's Choice" theme and emphasizing flavor with "The choice for taste is Taster's Choice." More than $11.5 million in measured media was used to promote Taster's Choice, and some estimates placed total spending for the brand at $20 million.

Nestle's total measured spending for Nescafe, Nescafe Decaffeinated, Sunrise and Taster's Choice amounted to $15.1 million. That figure pales in comparison to the $67.5 million General Foods spent in measured media on Maxwell House, Sanka, Yuban and Brim in 1984, and the $49.5 million that Procter & Gamble spent on its Folger's and High Point brands. In 1984, Folger's led the regular coffee market with a 24.9% share, Maxwell House was No. 2 with a 19 share, Maxwell House Master Blend was No. 3 with a 7.5 share, and Hills Bros. was fourth with its 7.4 share.

To perk up sales for its Nestle's Quik powdered chocolate drink mix, Nestle went the repackaging route in 1984. The effort, which followed research showing most people favored cold milk for their chocolate drink, featured cold milk prominently on the package along with increased visibility of the Nestle name.

Nestle's Quik was supported by $6.1 million in measured advertising, up 5.2% from 1983.

Selling Areas-Marketing Inc. (SAMI) shows total sales of $1.8 billion in the frozen single-serving category. Lean Cuisine, a recent Stouffer entry in that category and aimed at that growing segment of the diet and nutrition conscious American public, is said to be heading toward $500 million in annual sales.

Measured spending for Lean Cuisine increased 35.8% over 1983 to more than $11 million, the most for any of Stouffer's frozen food entries. Stouffer's frozen pizza was backed by $4.2 million of advertising, up 5%, while Stouffer's other frozen entrees received $8.9 million of media support, including $2.6 million for Stouffer's frozen side dishes.

Nestle's candy distribution has found new life. The unit had almost totally ignored impulse buying at movie theater counters. In 1984, with substantially more distribution outlets and a greater checkout counter presence, Nestle's candy bar sales increased 70%.

Another dramatic product change has occurred with Nestle's Beech-Nut baby foods. Responding to the Stouffer influence, Beech-Nut's reformulated line now features name-brand ingredients (such as Chiquita bananas) and uses no preservatives. Beech-Nut was promoted as a "natural" alternative, and backed by $3.4 million in measured spending.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,766	1,933
Magazines	21,594	11,638
Network cab	973	623
Spot tv	47,130	32,793
Network tv	73,959	47,259
Spot radio	1,334	428
Network radio	1,148	748
Outdoor	94	158
Farm pubs	296	266
Total measured	148,292	95,846
Total unmeasured	38,556	20,000
Estimated total	186,848	169,241

NESTLE ENTERPRISES

100 Bloomingdale Rd.
White Plains, N.Y. 10605
(914) 682-6000

Marketing Personnel

B.E. Gensamer, senior vp-mktg & strategic planning
Bonnie Webster, vp-mktg services

Advertising Agencies

HBM/Creamer, Pittsburgh—Taster's Choice—Ira Bass, acct exec.

Jordan, Case & McGrath, New York—Deer Park Water, Crunch bar, Bit-O-Honey, Goobers, Raisinets, $100,000 bar, Rich 'n Creamy Hot Cocoa mix, Chamourcy Desserts, Wispride, Nestle Fund Raising—Jack Taylor, exec vp; Matthew McHenry, Steven Badenhop, mgmt supers; Tom Magnus, acct super.

McCann-Erickson, New York—Nescafe regular & decaffeinated, Quik—John Boyd, senior vp-mgmt rep; Ted Donahue, vp-acct dir.

J. Walter Thompson USA, New York—Sunrise, Nestea, Nestle milk chocolate, Chunky, O Henry! bars, Morsels, Choco-Bake, Alpine White—Peter Schweitzer, senior vp-group acct dir; Don Challis, senior vp-acct dir; Philip Forman, vp-acct dir; Susan Allard, acct rep; Jack Morrissey, mgmt dir; Steve Dworin, acct dir; Ann Morrow, acct super; Michael White, acct exec.

BEECH-NUT NUTRITION CORP.

Fort Washington, Pa.

Marketing Personnel

Martin Kimmel, dir-mktg
Robert Bartz, dir-new business
Marian Ferreri, mgr-consumer services

Advertising Agency

Sherwood & Schneider, New York—James Massey, mgmt super; M. Abramson, acct super.

BOREL RESTAURANT CORP.

San Mateo, Cal.

Marketing Personnel

Fredric W. Tippett, president
Suzette Cavanaugh, dir-mktg

Advertising Agency

Michael Sellers, San Francisco—Marcia Michael, senior vp; Pam Heritage, acct exec.

CARNATION CO.

Los Angeles, Cal.

Marketing Personnel

John McMennamin, vp-mktg services
A.W. Fox, mgr-corp media
L. Dickinson, adv controller
R.E. Mott, promo materials mgr
J.R. Richards, associate prod mgr
J. Davidson, Q. Trujillo, art dirs, promo materials

Grocery Product Division

Pet Foods

Dwight Stuart Jr., vp-div mgr
L. Mark Reiser, asst mgr-finance
Miguel Osborne, group prod mgr-canned food
H.R. Chamberlin, mgr-new prod
John Harris, group prod mgr-dry food

Instant/Evaporated Milk

John Darcy, div mgr
Greg Mazares, group prod mgr

Contadina

Dick Sieminski, vp-div mgr
Gene Boykins, group prod mgr

Food Service

Jim Dintaman, vp-dir mgr
Carl Dienst, dir
Bob Miller, associate dir

Industrial Vending

Joseph Hollingsworth, div mgr
Duncan Shaw, prod mgr

Specialty Foods

Glynn Morris, div mgr
Lew Paine, group prod mgr

Market Research Division

Doss Struse, dir

Advertising Agency

Dailey & Associates, Los Angeles—Evaporated Milk, promo adv—Bob Brownson, acct group dir.

Foote, Cone & Belding, Los Angeles—Fancy Feast canned cat food, Do-It-Yourself Diet, Bon Bons—Joanna Garrett, acct exec, pet foods, Do-It Yourself Diet; Lisa Perenshio, acct exec, specialty foods; Bill Greig, acct exec, pet foods.

Lew Lesser & Associates, San Francisco—milling div—Lew Lesser, president-acct super.

The Merchandising Factory, San Francisco—foodservice—John Weatherwax, acct super.

SSC&B, New York—dog & cat food, Coffee Mate, Instant Breakfast & Breakfast Bars, Contadina—Cynthia Wilford, acct super.

HILLS BROS.

San Francisco, Cal.

Marketing Personnel

Barry Reis, vp-mktg

Advertising Agency

Cohen & Johnson, Los Angeles—Douglas Tripp, acct super.

LIBBY, MCNEILL & LIBBY

Chicago, Ill.

Marketing Personnel

L.P. Judy, president
W.J. Barry, vp-natl sales mgr, grocery prod
W. Cuff, vp-specialty foods & prod devel
G.D. James, vp-grocery prod
J.W. Stevenson, senior vp

Advertising Agencies

Bloom Cos.—canned juices & drinks, canned pumpkin, canned meats, nectar prod, produce prod, specialty prod, new prod—Kay Fowler, Tobi Cox, acct execs.

Chiat-Day, New York—Juicy Juice—Lori Schaeder, acct exec.

STOUFFER FOODS CORP.

Solon, O.

Marketing Personnel

Robert L. McGuigan, president
Gerald V. DeCroce, vp-mktg
Jeff Peck, mktg mgr-entrees, side dishes
Richard B. Annett, mktg mgr-Lean Cuisine prod
Paul D. DeVries, mktg mgr-new ventures
Joe Gaetto, mkt mgr, pizzas

Advertising Agency

HBM/Creamer, Pittsburgh—frozen foods—Richard Weber, Howard S. Gittins, vps.

STOUFFER HOTEL CO.

Solon, O.

Marketing Personnel

William N. Hulett, president
Ronald A. Nykiel, senior vp-mktg
Robert Nance, dir-adv & promo

Advertising Agency

Wyse Advertising, Cleveland—Chuck Boggs, senior vp-group super; Jim Hunt, acct dir.

STOUFFER RESTAURANT CO.

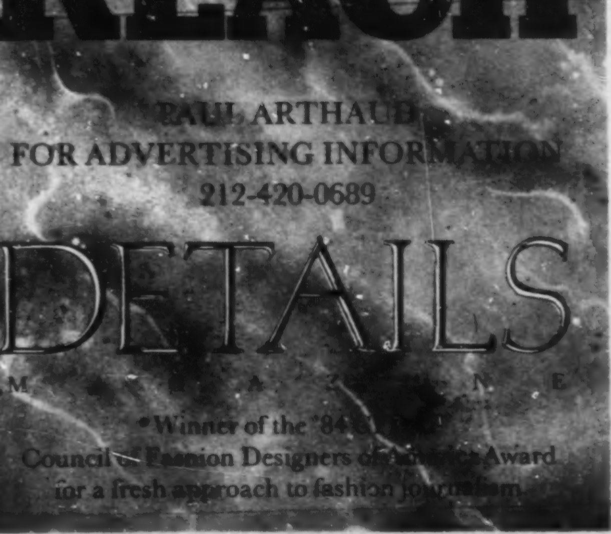
Solon, O.

Marketing Personnel

John Qualgliata, president
Rick Cassara, dir-mktg

Advertising Agency

Wyse Advertising, Cleveland—Chuck



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for a fresh approach to fashion journalism

Briggs, senior vp-group super; Jim LeSueur, acct exec.

WINE WORLD
St. Helena, Cal.
Marketing Personnel
Mike Moone, president
J.F. Tonjum, vp-sales & mktg
E.R. Wallingford, gen'l mgr-C&B Vintage Cellars
Richard Carter, vp-nat'l sales mgr
J.E. Thompson, vp-group prod mgr, C&B Vintage Cellars
Advertising Agency
Allen & Dorward, San Francisco—John Galbraith, mgmt super; Barbara Frazier, acct super.

Nissan Motor Corp. in U.S.A.

RANK 47

Carson, Cal.

($ figures — 000,000)

Worldwide	1984	1983	% chg
Sales	15,447	14,231	8.5
Net income	315	426	-26.1
U.S. advertising	164	124	32.5

Nissan Motor Corp. U.S.A., Carson, Cal., a subsidiary of Nissan Motor Co. Ltd., Toyko, was the 47th largest national advertiser in 1984, with an estimated expenditure of $164.2 million, up 32.5% from 1983.

In the 1984 fiscal year, ended March 31, 1984, the parent Nissan Motor Co. Ltd. reported earnings of $315 million, down 26.1% from 1983, on sales of $15.45 billion, up 8.5%. Sales and earnings for both 1984 and 1983 fiscal years were converted from yen to dollars at the rate of Y224 = U.S.$1.

Fiscal 1984 also saw worldwide sales of the Japanese marketer of Nissan cars and trucks of 2,499,368 units, up 1.5% from the previous year, but down from highs of 1981-82.

Nissan's sales of cars and trucks in the U.S. rose to an all-time high of 689,022 units, up 4.5% from the 659,257 units sold in 1983.

Limited by availability under the Voluntary Restraint Agreement, 1984 car sales slipped to 485,298, down from 521,902 sold a year earlier. Nissan sees market conditions improving in 1985 in the U.S., followed by growth in other markets.

In an effort to overcome VRA restrictions on the importation of cars (Nissan's share in 1985 is 547,920, compared with 1984's 551,800), Nissan boosted its truck promotions and this spring began building the popular Sentra subcompact at its truck plant in Smyrna, Tenn., becoming the third Japanese auto maker to build cars in the U.S.

Honda and Toyota also build cars in the U.S. and Mazda recently broke ground for a new plant.

Initial production at Smyrna will total about 10,000 trucks and 5,000 cars a month. The first U.S.-built Sentra rolled off the Smyrna assembly line on March 26, 1985. Car and truck output will be 240,000 per year by the spring of 1987.

The company's share of the over-all U.S. market dropped to 4.5%, down from 5.5% in 1983. It trailed Toyota at 5.4% and Honda at 4.9%, but remained ahead of Mazda at 2.3% and Volkswagen at 1.7%. Nissan's share of the import market stood at 20%, down from 22% in 1983 and behind the leading Toyota at 23%.

The best-selling Sentra, priced at $5,499 for the standard five-speed, two-door sedan, accounted for U.S. sales of 189,480 units, down 10.8% from 209,861 units in 1983, but still the No. 1 selling import model in the U.S. The Sentra was also the highest volume production car in the world.

Sales of other Nissan models in 1984, compared with the previous year, were Pulsar, 37,287 (62,183); Stanza, 44,619 (64,429); Maxima, 68,209 (76,209); 200SX, 63,465 (31,158), and 300ZX, 73,907 (71,144). The Maxima, priced at $13,499 for the five-speed, four-door sedan, was the leader in its upper-middle price market segment, positioned against Toyota Cressida, Audi, Volvo, BMW 318i, Peugeot and Saab.

The upscale cars in the Nissan lineup accounted for a major portion of the measured ad spending in 1984, with a total of $15.5 million recorded for the 300ZX, up 115% from 1983, and $12.2 million for the 200SX model, up from $1.9 million in 1983, according to Leading National Advertisers, which tracks six media spending. Tv, both spot and network ($22.9 million), and magazines ($4.5 million) provided the main thrust of the promotional effort behind these models. Nissan spent only $1.9 million on the 200 SX and $7.2 million on the 300 ZX in 1983.

Measured media ad expenditures for the top-selling Sentra dropped to $8 million, from $14.6 million in 1983. The Maxima drew $7.3 million in measured spending, up from $1.2 million the prior year.

General promotion as a category drew $7.4 million, up from $2.6 million in measured spending in 1983, and Nissan passenger cars, apart from specific promotional budgets, spent $4.9 million vs. $288,500 in 1983.

In addition to the total ad expenditure of $129.3 million in measured media, Nissan Motor Co. local dealers and franchises spent $12 million. In unmeasured media estimated at $35 million, spending was for a wide spectrum of promotional activities: Dealer promotions, auto racing program, trade shows, point-of-sale materials, merchandising aids and collateral materials and expenses related to the resigning and re-identification program for the company, formerly known as Datsun.

It also encompasses such marketing activities as a telemarketing/direct mail program that was tested in connection with fleet sales.

During the year, Nissan set a new sales record in the U.S. for compact trucks at 203,724 units, up 48.3% over 1983. The number of trucks sold was 29.8% of all Nissan units sold in the U.S. in 1984, up from 26.3% the previous year. Truck production at the company's assembly plant in Smyrna accounted for 47% of all Nissan trucks sold in the U.S.

Truck sales got the benefit of both a steady source of supply from its domestic production facilities in the U.S. and a special 8.8% financing, which was heavily promoted in both national and local advertising at the dealer level.

Nissan compact trucks drew $36.9 million ($20 million in spot tv and $13.8 million from network tv); King Cab compact trucks got $6.1 million, up from $1.2 million in 1983, and the S/T compact truck received $4.2 million, up from $1.6 million in 1983.

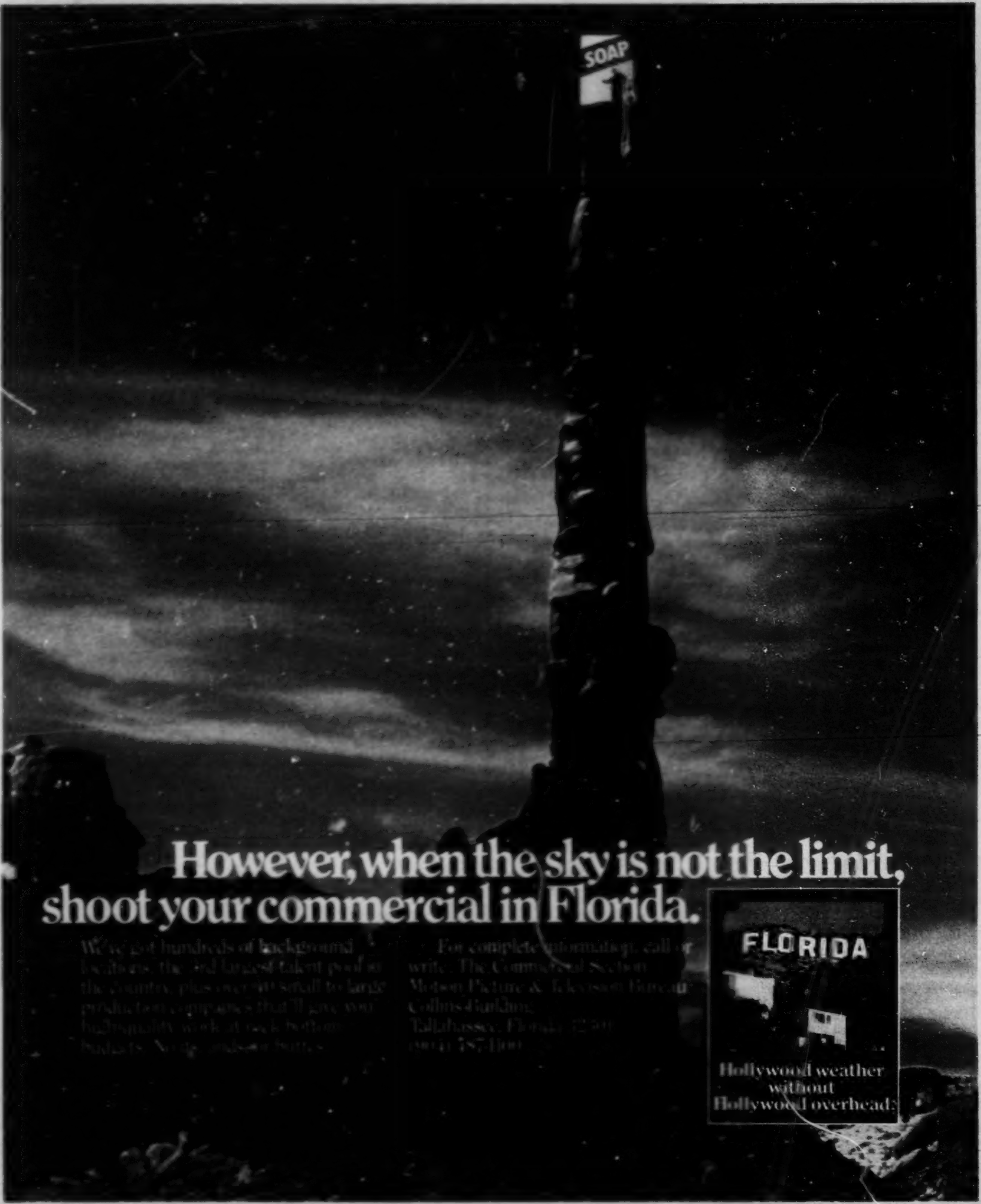
The spending trend in measured media for virtually all Nissan/Datsun lines in 1985 was network tv, 39%; spot tv, 32%; magazines, 11%; newspapers, 10%, and lesser amounts in the remaining measured media.

The first half of the 1985 model year at Nissan saw a continuation of the creative umbrella, "Come alive, come and drive, major motion from Nissan," with sustaining support behind most of the product lines.

The effort, split almost evenly between cars and trucks, had the support of the biggest advertising budget in Nissan history.

Introduction of the all-new 1985 Maxima, the $14,399 luxury sedan model, took place at a dealer announcement show in late 1984 at the Shrine Auditorium in Los Angeles, officially completing the transition of all products from the Datsun name to the Nissan badge.

Nissan began dropping the Datsun name from its cars and trucks in 1981 with the introduction of the 1982 model Nissan Stanza and now has completed the change with the 1985 Maxima. Rather than change names of the vehicles and dealerships overnight, Nissan chose to stretch the process over several years to establish the Nissan name in the minds of car and truck buyers. The replacement of Datsun identification with the 6,000 new blue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and white Nissan signs at 1,100 U.S dealerships began in the Dallas market. It's expected to be completed by next summer.

Major cost of the sign conversion is being borne by Nissan, with the support of a new ad campaign and creative focus, "The name is Nissan," which became the official theme in May, 1985. Creative executions of the old "Major Motion" theme were adapted and updated with "The Name is Nissan" slogan. The campaign began in mid-May on tv and radio and in June in national and local print and out-of-home ads.

Start of "The Name is Nissan" promotion coincided with the midyear introduction of new 1986 truck models, the first to employ the new slogan. Once again the campaign focused on Nissan's commitment to quality and technologically advanced products.

Making use of network and spot tv, heavily weighted with sports programing and magazines, the commercial message positioned Nissan trucks as a full line of quality-built compact vehicles featuring toughness, durability, power and economy in terms of purchase price and operation.

Print ads focused on features, and tv spots established the tough truck value-oriented positioning and emphasized the change in corporate name to Nissan. One midyear introduction in print ads featured the new 1986 Stanza wagon, "the first and only wagon with dual sliding doors" with the headline "Nissan Innovation Strikes Again."

In support of the 1985 car line, the media mix of tv, radio, newspapers and magazines followed patterns established a year earlier, but with greater support in local markets. Network tv exposure with the Olympic Games campaign found Nissan the dominant advertiser with 121 major network spots. The year included continued sponsorship of "Monday Night Football" on ABC-TV, the seventh consecutive year. Nissan also bought five 30-second spots on the NFL's Super Bowl, the first such buy by Nissan.

Passenger car advertising led off with strong support for the Maxima in the fall (the world class sedan that doesn't cost the world), followed mainly by car line advertising through the winter and spring, promotion of trucks and the first 1986 wagon models at midyear, and wound up with strong support of 300ZX sports car and Sentra at the end of the model year.

"The Name is Nissan" theme and umbrella now cover all the company's product offerings, and although critics had regarded the massive name conversion as "unsound marketing," the name "Datsun" seemed to be fading from memory.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	13,170	9,444
Magazines	15,022	13,352
Network cable	1,070	1,269
Spot tv	40,919	37,724
Network tv	50,666	33,603
Spot radio	7,584	10,881
Outdoor	846	995
Total measured	129,275	107,266
Total unmeasured	34,925	16,619
Estimated total	164,200	123,885

NISSAN MOTOR CORP.
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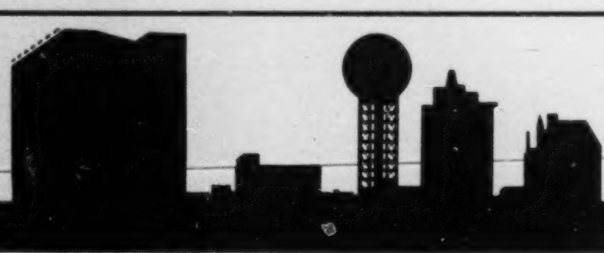
Jay Collier, dealer support dir
Terry Foutz, natl auto adv mgr
David Hubbard, natl truck adv mgr
Gary Ewald, natl sales promo & merch mgr
Susan Furedi, media planning mgr
Robert Cosmai, natl dealer adv mgr

Advertising Agency

William Esty Co., New York and Los Angeles—all Nissan vehicles—Richard Macedo, mgmt super.



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Noxell Corp.

Baltimore

RANK 91

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	350	304	14.9
Net income	28	23	22.0
Advertising	74	68	9.3

Noxell Corp., Baltimore, the 91st largest national advertiser, increased its U.S. advertising spending 9.3% in 1984 to an estimated $74.2 million, as net income improved 22% to $28.3 million on sales of $349.5 million, up 14.9%.

Domestic sales of cosmetics, toiletries and specialty foods increased in dollars and units for the year. As in previous years, Cover Girl brand products derived the greatest volume gains according to market analysts who note the brand continued to benefit from the surge in lower-priced cosmetics sales in supermarkets.

Cover Girl makeup, in its 23rd year on the market, had a 1984 ad spending increase of 30% to $11.9 million, according to six media Leading National Advertisers figures. Cover Girl makeup had the largest supermarket dollar share with 56.4% of the market in 1984, double the share of Cutex by Chesebrough-Pond's, its next leading competitor, according to Salomon Brothers analyst Diana Temple.

The special category of Cover Girl MoistureWear makeup got $5.5 million in advertising, down 31% from last year.

Cover Girl eye makeup was backed by $3 million in advertising, a 77% increase over last year. Cover Girl mascara received $9.8 million in advertising. Cover Girl mascara's 29% of the supermarket dollar share is second only to the leading Maybelline, according to Ms. Temple. Cover Girl also is second after Schering-Plough's Maybelline in eye shadow, with 23.8% of the dollar market share, but it surges into first place with its eyeliner, taking 35% of the dollar share. This growth was due in part to the introduction of Thick 'N Thin pencils, a color-coordinated pencil with a thin tip for lining and a thick tip for shading and contouring eyes.

Cover Girl lipstick achieved a 19.6% dollar share in supermarkets, second to leader Maybelline. The company spent $4.5 million in lipstick advertising in 1984, an increase of 64%.

Cover Girl spent $10.6 million advertising nail polish in 1984, up 79% from last year. Although supermarket shares declined one percentage point to 32.6%, Cover Girl led the market, far outpacing runnerup Cutex.

Cover Girl introduced the new Opulence nail color line in March, 1984, and strengthened its presence in the nailcare category with the June, 1984, introduction of Ten Terrific Nails, a line of nail treatment products.

Tv accounts for 69%, or $44.3 million, of total measured spending for the company, with Cover Girls Cheryl Tiegs, Christie Brinkley, Kelly Emberg and Jennifer O'Neill promoting "That Clean Make-Up Look." Company spending on tv declined slightly over last year, while magazine advertising increased by $9.3 million, or 14%.

Noxell's Noxzema slid to a 15.6% market share in the first quarter in the no-growth $450 million mass-outlet facial segment of the hand and body moisturizer market, continuing its steady descent from a 1979 peak of 28%. A new advertising campaign—"Are You Washing Your Face or Drying Your Face?"—will try to put the product back on the growth track. A more convenient package, Noxzema skin cream in a pump, was introduced to the trade in July, 1985, with national ad schedule slated for the autumn.

Richardson-Vick's Oil of Olay leads the highly competitive market with a 23% market share, but its sales have slipped, too. Revlon has made progress with its European Collagen Complex and has relaunched its Moon Drops line. American Cyanamid's Shulton USA division has been testing Equa-Balance, aimed at Oil of Olay, a more upscale mass brand. St. Ives brand, with heavy promotion, has taken 5.8% of the market.

Advertising expenditures for 1984 for Noxzema medicated skin cream amounted to $10.5 million, an increase of 34% over last year.

Strategically, Noxell has adapted its Cover Girl line to the "graying of America," continuing to use Cheryl Tiegs (now in her late 30s), while promoting its separate MoistureWear line for the over-30 age group. In light of continued benefits from expanding shelf space and consumers "trading down" to lower-priced cosmetics, says Salomon Brothers analyst Ms. Temple, the Cover Girl brand—61% of total sales in 1984—should grow by more than 20% this year.

Sales of RainTree hand and body lotion continued to decline, to 1.1% of net sales in the first quarter of 1985, down from 1.4% in 1984. The company did not advertise in 1984, but is planning to promote it in the spring of 1986 with a 16-oz. package for the price of the 10-oz. size in an effort to regain diminishing sales.

Noxell's acne treatment group achieved a 6.3% market share in 1984, down slightly from 7.1% in 1983. In mid-1984, Noxell completed restaging Noxzema antiseptic skin cleanser and Acne 12. This included the introduction of a new advertising campaign behind each item and new package graphics. Medicated cleansing pads also are being restaged, with the name change to Noxzema Clear-Ups. The product also will get new package graphics and a new ad campaign.

In January, 1984, Noxzema for Extra Sensitive Skin was added to the aerosol shave cream line. As a result, the supermarket dollar share rose to 12.2% in the first quarter of 1985 despite competitive new product introductions and advertising. A market analysis by Salomon Brothers finds the shaving creams fourth in the market.

In household products, Lestoil liquid cleaner sales remained even with 1983, contributing 4% of net sales. In January, 1984, Noxell assigned its $1.5 million Lestoil household cleaner advertising to William Esty Co., from Backer & Spielvogel, and a new tv campaign was introduced.

The Caliente Chili subsidiary increased sales with Wick Fowler's 2-Alarm Chili ingredients during 1984. The brand was supported with spot tv for the first time. Concentrated in a narrow market within the Southwest, the chili is being expanded into the broader Southwest market.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	4	11
Magazines	19,195	9,879
Network cable	917	1,812
Spot tv	3,045	2,935
Network tv	40,318	42,791
Spot radio	0	200
Network radio	751	869
Total measured	64,230	58,495
Total unmeasured	9,970	9,405
Estimated total	74,200	67,900

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Marketing Personnel

George L. Bunting Jr., president-ceo
Marvin L. Hathaway, exec vp-domestic coo
R.G. Duke, senior vp-corp devel
F.J. Harrison, senior vp-mktg
P.M. Troup, vp-cosmetics mktg
R.H. Yeager, dir-new prod
E.H. Levering, senior vp-sales
D.J. Gallow, dir-mktg rsch
C.J. Busta, mktg dir toiletries
B.F. Nelson, exec vp-genl mgr-Caliente Chili
E.M. McNamara, mktg dir-cosmetics

Advertising Agencies

William Esty Co., New York—Noxzema shave cream, Lestoil, Caliente Chili, new prod—Steve Moynahan, vp-mgmt super; Mike Nelson, acct exec.

SSC&B, New York—Noxzema skin cream, Cover Girl prod, new prod—Sheri Colonel, senior vp-mgmt super, acct exec, nails, lips; Donna Squilla, vp-acct super, makeup & new prod; Linda Emanuel, vp-acct super, eyes, moisture wear; Kenneth Ramsey, vp-acct super, nails, lips; Lynn Eaton, acct exec, eyes; Marjorie Wachtler, acct exec, new prod; Stuart Sklar, acct exec, makeup; Kathleen Cusack, acct exec, eyes; Courtney Cowart, staff asst, makeup & new prod; Alma Miller, staff asst, eyes; Neill Myers, mgmt super; Leonard Saboie, acct super; Judith Finer, acct exec.

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EXECUTIVE SEARCH

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J.C. Penney Co.

New York

RANK 11

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	13,451	12,078	11.4
Net income	435	467	-6.9
U.S.			
Sales	12,963	11,546	12.3
Operating profits	N/A	N/A	N/A
Advertising	460	376	22.3
Division sales			
JCPenney stores	11,913	10,625	12.1
Catalog	1,928	1,831	5.3
Other retail	1,079	1,045	3.3

J.C. Penney Co., the nation's third largest retailer, spent an estimated $460 million on advertising in the U.S. in 1984, a 22.3% jump from the year earlier ad total of a restated $376 million, as it continued to reposition itself as a fashion center.

The New York-based retailer, the 11th largest national advertiser, spent $465 million worldwide in 1984 vs. $381 million in 1983. The only major center of company activity outside the U.S. was in Belgium, where sales of $488 million were recorded in 1984, down 4.9% from 1983. The total ad figure includes major media, but not catalog preparation and distribution costs, according to the company.

The company had sales of $13.45 billion in 1984, an 11.4% increase over 1983. Earnings were $435 million, 6.9% below 1983's record figures, reflecting an intensely competitive retail environment fueled by accelerated markdowns and promotional activity.

Most sales were in Penney's so-called metropolitan stores, divided into department stores with sales of $9.18 billion, up 12.2% among comparative units from 1983, and soft line stores with sales of $1.02 billion, up 9.6% among comparative units. Metro store sales represented 85.6% of total store sales, with the remainder, $1.71 billion, coming from so-called nonmetro stores, up 8.3%.

Reflecting similar moves by competitors both in the department and specialty retail business, Penney moved to promote catalog sales more heavily. The company reported that 1984 catalog sales increased 5.6% among comparative units over the previous year, to $1.93 billion.

Penney is in the throes of an image change. Systemwide rehab has been completed. Apparel lines from designers Halston, Lee Wright and Mary McFadden among others are attempting to replace the company's private-label image with a designer-tag one.

This new image is going to take some getting used to. Financially, so far it has not borne fruit. However, most retailers are battling a tightening market regardless of their image.

During the first half of fiscal 1985, Penney has continued to struggle. Sales have increased slightly to $5.82 billion from $5.81 billion, but net income has dropped 33% to $80 million from the corresponding period in 1984. Profits during the period were affected by markdowns in summer and spring merchandise and higher spending for promotions.

Commenting on Penney's drop in net income, some market observers consider the retailer as being hampered by dislocation. Walter Loeb, a senior retail analyst with Morgan Stanley, says the movement toward fashion has "blurred the company's identity . . . Penney's has not captured the customer as [a store] being on the leading edge of fashion. Even though Penney's move into the fashion world is bold and many of its fashion presentations are innovative, the customer has not gotten the message."

Penney, nevertheless, continues a costly modernization program geared to fashion. About 30% of the stores contributing to 1984 department store sales have been updated. The updating program, now completed, involved rehabbing 150 stores during 1983 and an additional 200 units in 1984. The new face has basically involved space reallocation to accommodate the new merchandise mix and a more contemporary look conveyed through minor refixturing and carpeting. Expenditures have run an average $4 million per store.

Sales of both women's and junior lines increased about 17%, and national brands in these categories rose more than 26% in 1984, results the company attributes to a customer vote for fashion.

The company has characterized its key customer as "the contemporary, fashion-conscious consumer who expects timeliness and fashionability in merchandise as well as quality and value."

Both the Wyndham line for the contemporary career woman, supplied by Ship 'N Shore, and the Lee Wright Collection of men's wear have produced good results during their first year with the retailer in 1984, the company says. A line of updated junior sportswear for women by Lee Wright was introduced this spring. Additional designer wear scheduled to be introduced at undisclosed dates includes a Mary McFadden collection of sportswear and dresses for career women and a men's sweater and shirt line by Alan Flusser to be developed into a coordinated sportswear collection.

In step with the popularity of both classic and trendy British fashions, the company is planning a three-week "Best of Britain" promotion Oct. 16 to Nov. 9 that will feature merchandise from the U.K. A national marketing program of about $9 million will support the promotion.

Highlights of both national and local advertising campaigns designed to reach two-thirds of all metropolitan households include an insert about the British event to be sent to 20 million J.C. Penney credit card customers; network tv advertising as well as local radio and tv advertising; full-page ads in newspapers, and a color circular to be distributed as a supplement to newspapers throughout the country.

In 1984, a large portion of the unmeasured advertising totaling $305.7 million, up 27.8% from the previous year, was directed at the catalogs, although not their production or distribution. In measured media spending in 1984, Penney's invested $69.3 million, down 1.5%, according to Leading National Advertisers.

Among individual media, the mass merchandiser increased network tv expenditure 6.6% to $34 million. Spending in magazines dropped 14.7% to $16.9 million, and spot tv dropped 8.3% to $16.6 million.

Penney spent $22.9 million on joint promotion of men's and women's apparel, up from $11.9 million in 1983, while advertising allocations for men's and women's sportswear dropped to a combined total of $3.2 million from $10 million last year, reflecting the retailer's move to incorporate designer lines.

The retailer had 564 metropolitan stores in 1984, after opening 14 and closing two. There were 801 stores in nonmetropolitan areas operating at yearend, after 30 were opened and 52 closed.

Penney's catalog centers numbered 1,815 at yearend, up from 1,805 the year before. The company's drugstores, operating under the name Thrift Drug or Treasury Drug Center, opened 16 stores and closed six, for a 1984 total of 369. Drug units recorded total sales of $591 million, up 11% for all units and 9.9% for comparative units. The drug units spent $3.9 million, the same as in 1983, in advertising, virtually all in spot tv for both years.

In 1984, in the course of its image makeover, Penney's severed its 14-year relationship with McCaffrey & McCall and took its $50 million-plus national advertising account to N W Ayer.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	16,943	19,745
Network cable	232	142
Spot tv	16,619	18,151
Network tv	34,030	31,858
Spot radio	1,145	198
Outdoor	299	237
Total measured	69,267	70,330
Total unmeasured	390,733	305,670
Estimated total	460,000	376,000

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Marketing Personnel

T.S. (Terry) Prindiville, senior vp-dir, corp mktg
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Lanni Benson, dir-visual mktg
Edward Haywood, mgr-adv
Jim Boyton, mgr-media services
Jeanne Fiscina, corp mktg personnel, admin mgr
Karen Edds, mgr-merch publicity
Bob Jung, mktg publications coord
Tom Jewell, mgr-corp mktg projects
Gerry Tester, mgr-presentation
Robert Burke, controller-corp mktg
Mal Bliss, mgr-packaging & labeling
Bill Speer, mgr-store design
Sid Stein, mgr-mktg rsch & plans services

Advertising Agencies

N W Ayer, New York—natl adv—Thomas Maxey, exec vp-exec acct dir; Chuck Meding, senior vp-mgmt super; Agi Clark, senior vp-exec creative dir; Jeanne Chenard, senior vp-creative dir; Irma Damhuis, vp-acct super; R.C. Morrison, vp-acct super. J.C. Penney Financial Services—John Nichols, vp-acct super, insurance; Jack Rayher, vp-acct supers, new business; Ruth Salevouris, senior vp-exec acct dir; H. Hart well, vp-acct super.

D'Arcy MacManus Masius, New York—J.C. Penney catalog—Steve Seiter, exec vp-acct group dir; Dan Cole, vp-mgmt super; John Roth, vp-acct super.

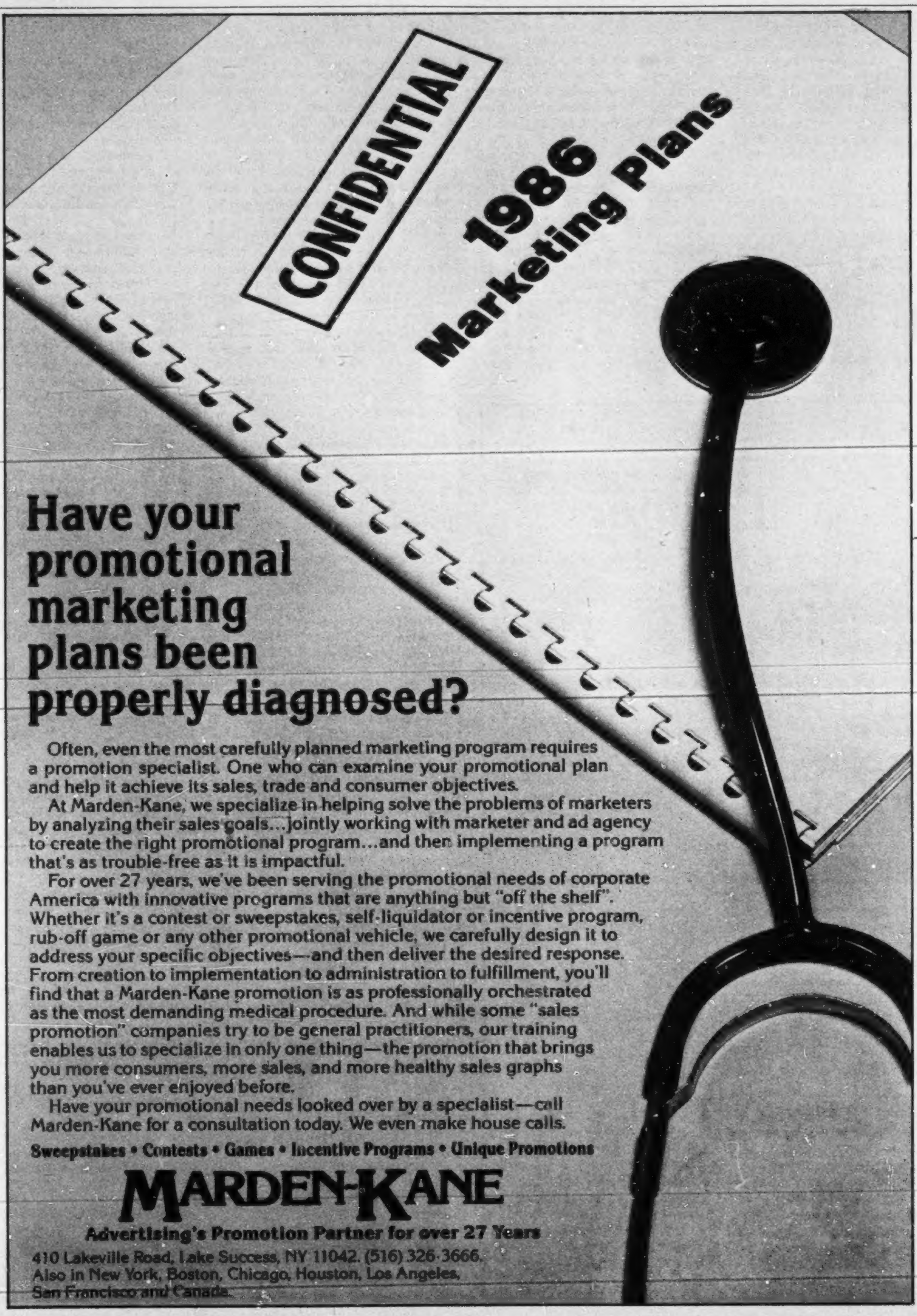
RANK
15

PepsiCo Inc.

Purchase, N.Y.

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Sales	7,699	7,166	7.4
Net income	213	284	-25.0
U.S.			
Sales	6,707	6,012	11.6
Operating profits	761	715	6.4
Advertising	428	357	20.0
Division sales			
Beverage	2,908	2,940	-1.1
Food products	2,709	2,430	11.2
Food service	1,834	1,529	19.9
Sporting goods	248	266	6.8



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San Francisco and Canada.

PepsiCo Inc., which reorganized in 1984 to concentrate on its strengths—beverages, food products and foodservice—was the 15th largest national advertiser in 1984 with estimated spending of $428.2 million, up 20% from 1983.

The Purchase, N.Y., company, parent of Frito-Lay, Pizza Hut, Taco Bell and Pepsi-Cola soft-drink empire, continued to cut into the market leadership of Coca-Cola. It sharpened up for further battle by divesting a money-losing subsidiary and preparing plans to sell two others. PepsiCo also lost its president to Harvard University Graduate School of Business Administration, a move that triggered a wholesale change in the executive ranks.

PepsiCo reported sales for the year of $7.7 billion, up 7.4% from the previous year, and net income of $212.6 million, down 25%—a decline that included a $15 million after-tax loss on the sale of Lee Way Motor Freight.

The sale of subsidiaries Wilson Sporting Goods and North American Van Lines in the first half of 1985 have shored up the bottom line. In the second quarter of the current fiscal year, the company reported earnings of $256.3 million compared with a year-earlier loss of $42.5 million, the 1985 period including a gain of $129.7 million, the difference between the sale of North American Van Lines and a loss from the sale of Wilson Sporting Goods. Sales increased 5.8% to $3.56 billion.

Beverages continued to be PepsiCo's major segment with $2.9 billion in worldwide sales in 1984, a decline of 1.1% that excluded results from foreign bottling operations, which were omitted when the company refranchised the operation. Beverages captured 37.8% of total sales.

PepsiCo's domestic soft drink entries under the Pepsi-Cola USA banner—Pepsi, Diet Pepsi, Diet Pepsi Free, Pepsi Light, Mountain Dew and the new Slice lemon-lime flavor—recorded a growth rate of 8% in 1984, according to the company. All Pepsi brands grabbed a 25.6% share of market (case sales) in 1984, up from 25.3% in 1983. Coca-Cola's soft drink brands had a market share of 36.4%, up from 35.3%, according to *Beverage Industry.*

The company's main brand, Pepsi, had a market share of 17%, up from 16.9% on the basis of a 6.8% increase in case sales in a total market that expanded at a 6.1% clip in 1984. This compares with Coke's 21.8% share of market, down from a 22.5% share despite an increase in case sales of 3.1%, according to the *Beverage Industry.*

Reformulated Diet Pepsi had a 2.9% share of market, up from 2.4%. Diet Coke, however, rose to 5.1% from 3.2%. Mountain Dew maintained its market share of 2.7% vs. Coca-Cola's Sprite's 3.3%, up from 2.8%. Sugar Free Pepsi Free was 1% for both years. Diet Coke Caffeine Free had a market share of 0.9% compared with 0.5% in 1983. Pepsi also had a boost in fountain syrup sales, helped by Burger King's late-1983 decision to convert to Pepsi-Cola products in its 3,200 restaurants nationwide.

The logo, "Pepsi. The Choice of a New Generation," was introduced in March, 1984, in commercials by popular singing star Michael Jackson. At no small cost, and perhaps with an assist from rival Coca-Cola's decision to reformulate and then bring back Coke Classic, it seems to be working.

By midyear, Pepsi's ads had climbed to the top of the charts in ADVERTISING AGE's monthly survey of unaided recall. More than one-third of the respondents queried by the SRI Research Center in Lincoln, Neb., identified Pepsi when they first heard the spots.

The upfront cost for Pepsi to strike a deal with Michael and the rest of the Jacksons was an estimated $7.5 million—$5.5 million for the Victory Tour and another $2 million to produce the spots. Pepsi spent another $40 million for the advertising time and space.

Measured media expenditures for the Pepsi brand, including Diet Pepsi and Pepsi Light, totaled $86.9 million, according to six media figures from Leading National Advertisers. Coca-Cola on the other hand spent $121 million on its Coke brand products (including the diet and Tab products). This does not include the expenditures for Mountain Dew ($7.8 million) or the introduction of Slice ($1.8 million). Of the $86.9 million targeted Pepsi brand, more than 95% was committed to network or spot tv.

Lionel Ritchie followed Michael Jackson in the Pepsi Generation spotlight, and San Francisco 49ers' quarterback Joe Montana joined the huddle, following his stellar performance in the January, 1985, Super Bowl XIX, to do three spots. Mr. Montana, paid $400,000 in a two-year contract for the spots, appeared in the first spot with his friendly adversary in that Super Bowl matchup, Dan Marino, quarterback of the Miami Dolphins.

One of the challenges for Pepsi-Cola USA in 1984 was to narrow the gap between diet Coke and Diet Pepsi, Diet Pepsi Free and Pepsi Light. Diet soft drinks are about 20% of the $25 billion soft-drink industry. But estimates put the share for diet soft drinks as high as 50% by 1990. Diet Pepsi is riding the fame of New York Met pitching ace Dwight Gooden, who has joined Jim "Catfish" Hunter in a 30-second spot.

In November, Pepsi-Cola USA announced it was switching to a 100% NutraSweet formula for all of its diet cola products. At the time, Roger A. Enrico, president of Pepsi-Cola USA, compared the move to the Michael Jackson commitment, maintaining that the investment in Jackson had been returned in five short weeks and a similar return was likely on the switch to the NutraSweet formula.

It did not take long for the rest of the industry to follow Pepsi's lead, and the company seems entirely satisfied with the results. Similarly, the introduction of Slice into the lemon-lime market has been successful. With 10% real fruit juice, Slice is already in 70% of the country and standing second in the category, behind Philip Morris' 7UP but ahead of Coca-Cola's Sprite.

Among the nonmedia buys that boosted Pepsi's 1984 advertising expenditures was its $72,000 partial sponsorship of Educational News Service's package of sound filmstrips about the 1984 political campaign. "Campaign '84: The Primaries" was distributed to 16,000 high schools nationwide along with Pepsi's Michael Jackson commercials.

On the international front, there were two significant developments involving advertising for Pepsi-Cola. In April, 1985, new Pepsi spots were introduced in 30 foreign markets. The spots debuted in Spain and with minimal changes were scheduled to run later throughout the world.

Taking a page out of the Michael Jackson book, Pepsi International signed the Puerto Rican rock group Menudo to make a series of commercials for the market in Mexico, where Pepsi has been running a distant second to Coca-Cola in market share. Elsewhere in Latin America, Pepsi is continuing to issue the Pepsi Challenge taste test in an effort to bolster market share.

PepsiCo's food products segment includes Frito-Lay, a Dallas-based, snack-food concern, and PepsiCo Foods International, which operates in 10 foreign markets. The segment in 1984 recorded sales of $2.7 billion, up 11.2% from the previous year, and operating profits of $393.9 million, up 13%. The segment accounted for 35% of total sales and 49% of operating profits.

Frito-Lay's $25 million campaign to introduce O'Grady's brand extra-thick potato chips was launched in February on the network tv premiere of the movie "Arthur." Hailed as the largest new-product launch in the company's history, the 40-week effort enabled O'Grady's to quickly surpass the $100 million mark in annual sales. O'Grady's became the seventh Frito-Lay "core" brand to top that annual sales figure.

The year also saw Frito-Lay reformulate the nacho-cheese flavor in its Doritos brand tortilla chips, the nation's largest-selling snack food. Industry estimates place 1984 sales of Doritos at $513.6 million, a sizable share of the snack food market. Future growth projections for the brand are in the 7% annual range.

A new 60-second musical and special effects extravaganza, first aired on ABC's telecast of "Star Trek II: The Wrath of Khan," ballyhooed the addition of one-third more nacho cheese to the Doritos chip. Ad spending for Doritos in 1984 exceeded $18 million, according to Earl Shirley, Frito-Lay marketing director. More than $13 million of that was spent on the tv schedule.

Frito-Lay continued to heavily promote its products in the soft and chewy cookies war, backing the introduction of GrandMa's brand Rich 'n Chewy. Measured advertising support for GrandMa's topped $5 million, a marked increase over the $3.8 million of the previous year.

Over-all, Frito-Lay products received $57.5 million in measured advertising support in 1984. This compares with $41 million expenditure in 1983 and does not include expenditures in the cookie category.

In late summer, Frito-Lay gave the pink slip to Young & Rubicam, its agency of 23 years, pulling $15 million in billings divided among Ruffles potato chips, Rold Gold pretzels and Chee-Tos cheese puffs from the New York agency. Needham Harper Worldwide, Chicago, was assigned the business in mid-September.

Change, controversy and continued growth marked the foodservice division in 1984, which had sales of $1.8 billion, up 19.9%, and operating profits of $175.2 million. The segment's sales accounted for 24% of the company total and operating profits, 22%.

In May, 1984, Pizza Hut named Chiat/Day, Los Angeles, to replace Foote, Cone & Belding, its agency of long-standing. The controversy surfaced during the agency review process when it was learned that a number of former Pizza Hut executives had joined rival Godfather's Pizza, also in agency review. Chiat/Day withdrew from an agency review by Godfather's and subsequently won the Pizza Hut business, amid conflict of interest charges.

Despite the controversy, Chiat/Day and Pizza Hut launched the first systemwide promotional campaign and a series of well-received tv commercials featuring "Pizza Hut people." The promotion, geared to children, offered coloring/sticker books featuring Care Bear characters. Spending for the four-week promotion, including network and regional tv, was estimated at more than $10 million.

Late in the year, Pizza Hut began to test a pizza-related product called Priazzo. A product with top and bottom crusts filled with pizza toppings, Priazzo was priced comparably with a large pizza and designed to feed several customers. Priazzo was rolled out nationally in 1985. Like the introduction of Personal Pan pizza aimed at singles and other recent new products, Priazzo is part of an over-all strategy to expand the chain's customer base.

Measured ad spending for Pizza Hut increased 19% in 1984 to $58.4 million. This was divided among spot tv ($40 million), network tv ($18.2 million), and minor outdoor and magazine contributions.

PepsiCo's other foodservice chain, Taco Bell, is the leader among the Mexican fast-food restaurants. Taco Bell is in the top 10 among all fast-food chains. Fast-food sales nationwide totaled $40.3 billion in 1984, up 9%. Of that, Mexican fast food accounted for $1.61 billion, a 25% increase from 1983. Taco Bell's increase exceeded that as sales reached $918 million by year end, up from $600 million in 1983. The growth was spurred by an expansion program that added 170 new restaurants to the chain, bringing the total to 925 company-owned and 908 franchised, and by new products, Taco Salad and Nachos BellGrande.

Taco Bell is in the process of a face lift to reposition the chain in the mainstream of the fast-food chains. A redesign of the corporate logo and of the restaurant exteriors begun in Denver in 1984 and is to be completed nationwide within three years. Accompanying the repositioning was a significant increase in the advertising budget. Whereas measured expenditures in 1983 totaled $18.7 million, the 1984 total was $28.7 million.

In October, PepsiCo president-coo since 1971, Andrall E. Pearson, announced he had accepted an offer to join the faculty at Harvard Business School, effective Jan. 1, 1985. Mr. Pearson's retirement set in motion a chain of events that will culminate with the retirement in May, 1986, of Donald M. Kendall as PepsiCo's chairman-ceo. D. Wayne Calloway has been elevated from exec vp-chief financial officer to replace Mr. Pearson, and he in turn will be succeeded by Michael H. Jordan, president-ceo at Frito-Lay.

Willard Korn, who had been president of Wilson Sporting Goods, replaced Mr. Jordan at Frito-Lay, and W. Leo Kiely was named to the new post of senior vp-sales and marketing.

A major restructuring of the company throughout 1984 and continuing into the midpoint of 1985 has enabled PepsiCo to focus on the businesses that historically have produced the best results. The restructuring was accomplished in three steps.

First, a number of company-owned international bottling operations were refranchised and placed in the hands of local businessmen. The hoped-for result when the program is completed this year is a stronger international franchise bottler network. PepsiCo is taking immediate aim on increasing its soft drink market share in Latin America.

Second, the company withdrew from the transportation business by selling its North American Van Lines and Lee Way Motor Freight subsidiaries.

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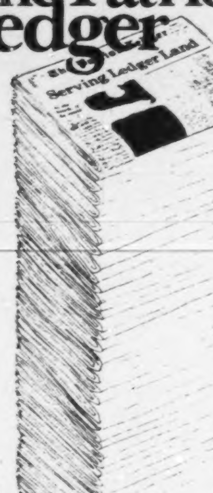

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See page 101

Finally, the company in May sold its Wilson Sporting Goods division. The division has sales of $247.6 million in 1984, up 6.8% from the prior year, and an operating loss of $16.7 million compared with an operating loss of $11.2 million in 1983. The division, acquired in 1970, has failed to turn a profit since 1982. It was sold to Wesray Sporting, a division of Wesray Capital Corp., a New York-based investment banking company. The sales price was not disclosed, although estimates suggested a range of $150 million to $200 million.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	5,036	6,002
Magazines	3,511	3,895
Network cable	1,323	590
Spot tv	154,287	121,847
Network tv	90,403	73,953
Spot radio	25,025	14,025
Network radio	4,746	916
Outdoor	2,090	1,924
Total measured	286,420	223,154
Total unmeasured	141,752	133,656
Estimated total	428,172	356,810

PEPSICO INC.
Anderson Hill Rd.
Purchase, N.Y. 10577
(914) 253-2000

PEPSI-COLA USA

Marketing Personnel

Roger Enrico, president, ceo
John Costello, senior vp-sales & mktg
Richard Blossom, vp-brand mktg
Alan Pottasch, senior vp-creative services
Henry Hayes, media dir

PEPSI-COLA BOTTLING GROUP

Marketing Personnel

Roger G. Dettmer, president
Craig Weatherup, senior vp-sales

Advertising Agencies

BBDO, New York—Pepsi-Cola, Diet Pepsi, Pepsi Free, Mountain Dew, packaging & promo—Gary dePaolo, senior mgmt rep; William Katz, mgmt super; Andy Russem, Jeff Mordos, Wendell Crosswhite, mgmt supers.

J. Walter Thompson USA, New York—Slice, Diet Slice, Teem, On Tap root beer—Jeremy Birkbeck, acct super.

Hispania Advertising, New York—domestic Hispanic adv, all brands—Caroline Demy, genl mgr.

Mingo-Jones, New York—black consumer adv—Sam Chisholm, senior mgmt rep; John Williams, mgmt super; Gina Ross, acct exec.

Tracy-Locke/BBDO, Dallas—Pepsi Light—Lanny Houillion, senior vp; Bruce Orr, acct exec.

PEPSI-COLA INTERNATIONAL

Marketing Personnel

Robert H. Beeby, president-ceo
Robert M. Walker, vp-mktg & sales
Rod P. Malcolm, dir, creative services

Advertising Agencies

J. Walter Thompson USA, New York—Tony Claravall, acct dir; Jeremy Birkbeck, senior acct super.

PEPSICO FOODS INTERNATIONAL

Marketing Personnel

John S. Pingel, president
Kenneth J. Constable, vp mktg

Advertising Agencies

Foote, Cone & Belding, New York—John Howard, William McDonough, mgmt dirs.

Tracy-Locke/BBDO, Dallas—David Novak, Mike Rawlings, intl coords.

Young & Rubicam, New York—Jane Brite, Barbara Jack, acct execs.

FRITO-LAY
Dallas, Tex.

Marketing Personnel

Willard C. Korn, president-ceo
Leo Kiely, senior vp-sales & mktg
Dennis Freezo, vp-sales operations & planning
Joe Pyland, vp-field sales
Laurie Beeson, vp-brand mktg

Advertising Agencies

Foote, Cone & Belding, New York—GrandMa's cookies, Fritos corn chips, Ta-Tos potato chips, O'Grady's potato chips—John Howard, senior vp-mgmt dir; William McDonough, vp-mgmt dir; Chris Novak, vp-acct dir; Anne Lynn, vp-acct dir; Mary Love-Mattox, acct exec; John Roberts, Alise Yates, Michael Colacchio, acct execs.

Tracy-Locke/BBDO, Dallas—Doritos, Tostitos, Baconettes, Funyons onion flavored rings—David Novak, vp-mgmt rep; Terry Davenport, Cindy Hughes, acct supers; Shipley Munson, Leslie Cochrane, Bob St. Julian, Scott Hall, acct execs.

Needham Harper Worldwide, Chicago—Ruffles potato chips, Cheetos cheese puffs, Rolled Gold pretzels, new prod—Stuart Sharpe-group acct dir.

PIZZA HUT

Marketing Personnel

Arthur G. Gunther, president-ceo
Michael Jenkins, mgr, corp pr
Bud Gates, vp-restaurant franchise

Advertising Agency

Chiat-Day, Los Angeles—Lee Clow, creative dir; Guy Day, acct exec.

TACO BELL
Irvine, Cal.

Marketing Personnel

Jim Loser, vp-mktg
George Reynolds, vp-adv
Dane Waitkus, vp-field mktg
Art Redmond, dir-mkt rsch

Advertising Agency

Tracy-Locke/BBDO, Dallas—Rod Underhill, president, TL/BBDO, Los Angeles; Anne Osberg, vp-mgmt rep.

Generics mainstream

Generic drugs now command 20% of the U.S market, and many industry specialists think the generics' share of the market will continue to rise over the next few years, according to *Business Week* (Jan. 11, 1985). The driving force: Washington's prospective payment plan for reimbursing the medical bills of medicare patients, which will continue to force hospitals and nursing homes to restrict their drug purchases.

Pfizer Inc.

New York

RANK **83**

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	3,855	3,750	2.8
Net income	508	447	13.6
U.S.			
Sales	2,150	1,950	10.3
Operating profits	538	414	30.1
Advertising	86	72	19.8
Division sales			
Health care	2,382	2,325	2.5
Agriculture	472	462	2.3
Specialty chemicals	377	394	-4.4
Other	623	569	9.8

Pfizer Inc., New York, whose products include Coty, Pacquin, Visine, Barbasol and Ben-Gay, ranked as the 83rd largest national advertiser with an estimated $86.4 million in total ad expenditures in 1984, up 19.8% from 1983.

Pfizer, which spends virtually all of its measured advertising on its consumer division, was monitored allocating $58 million in nine measured media, a 13.2% increase over the previous year. Worldwide advertising, however, dropped from $166.5 million in 1983 to $161.6 million in 1984, according to the company.

Earnings at the largely pharmaceutical company rose to $508 million, up 13.6%, although sales increased only 2.8% to $3.85 billion. Financial returns held to the same pattern in the first two quarters of the current fiscal year as earnings rose 15% to $147.3 million on sales of $945.7 million, up 15%, in the first quarter over the corresponding period in 1984. In the second quarter, sales flattened out at less than a 1% gain as earnings rose 15.6% to $137.5 million over the year-earlier period.

Consumer products made up of two divisions, Leeming/Pacquin and Coty, accounts for 8% of Pfizer's business. Sales increased 9% to $319.8 million in 1984. A similar sales increase continued into the first quarter of 1985.

Pfizer's consumer product market leaders—Visine, Desitin, Barbasol and Unisom—helped to lead the segment to an all-time high in earnings. Visine eye drops and Ben-Gay analgesic ointment were the segment's best performers. Visine, available in two formulations, Original and A.C. (allergy and colds formula), leads the $100 million eye drop category. It received measured backing in 1984 of $12.3 million, up 20.6%.

Uses for Ben-Gay—the ointment that debuted to the French public at the turn of the century—are being extended, along with the age spread of the audience. Measured ad support was $12.2 million, up 64.9%. Close to $8 million was spent on a campaign that seeks to establish Ben-Gay as a family-fitness product, in addition to its traditional use in treating arthritis and sore

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muscles. Ben-Gay holds a 35% share of the $100 million topical analgesic category, in which Thompson Medical Co.'s Aspercreme reportedly occupies second place with a 25% share. Thompson Medical is suing Pfizer over an offshoot product of Ben-Gay, SportsGel, which Thompson claims infringes on its Sportscreme trademark.

In the perfume category, Pfizer's measured expenditures declined for Nuance (down 55% to $583,500) and Sophia (down 38.5% to $2.3 million), and were slightly up for Emeraude (up 11.4% to $2.9 million).

The budget for Coty's Wild Musk (for women) was raised substantially because of heavier support of the men's musk version. Advertising for Musk, with men's and women's versions each receiving close to $900,000 in support, was concentrated on tv. Coty's other fragrance for men, Stetson, also received substantial backing, $5.7 million, up 35.7%, as Pfizer augmented its presence in the growing men's fragrance category. Sales of the Stetson line, which accounts for one-fourth of Coty's business, grew 41% in 1984.

The measured media budget for Coty's Overnight Success women's skincare product more than doubled, from $1.5 million to $3.1 million. Support for Pfizer's established brand of baby care products under the Desitin banner was minimal, $171,000, and the product received no advertising support the prior year.

Pfizer spent $4 million on advertising in medical journals, one of the largest media print budgets in the pharmaceuticals industry.

Pfizer's ongoing "Partners in Healthcare" print ad series was supplemented by four 30-second tv spots that dealt with common health problems such as hypertension, diabetes and depression.

Pfizer was one of the few pioneering companies to support a controversial subject for tv fare, incest, when it advertised on ABC's "Something About Amelia," a made-for-tv movie that was aired in January, 1984.

Pfizer continued its commitment to r&d in 1984, pumping more than $250 million into that area. That expenditure is expected to hit $300 million in 1985. Beneficiary of such r&d is Pfizer's healthcare segment, which includes hospital products and pharmaceuticals divisions. The segment represents 62% of Pfizer's business.

Fully 80% of the healthcare segment is dominated by the pharmaceuticals division, which garnered $1.9 billion in sales in 1984. A 14% increase in U.S. sales was offset by a 9% drop in international sales, sharing the plight of U.S. companies with large foreign interests in a dollar-strong worldwide economy. Consequently, pharmaceutical sales rose by only 1% for the year.

More encouraging was healthcare's hospital products subdivision in which over-all sales rose 7% to $491 million and domestic sales 13%. Sales of the agricultural segment increased 2% to $472.2 million in 1984, although sales for the segment dropped 2% in the first quarter of 1985.

The performance of Pfizer's pharmaceutical products was enhanced by sales of a few key products. Topping the list was Feldene, which had $406 million in sales. Feldene, an arthritis treatment product, is the top-selling anti-inflammatory agent in the world. Sold in more than 100 countries, Feldene has been on the market in Europe since 1979, and in the U.S. since 1982. It holds between 25% and 30% of the $3 billion U.S. market for anti-inflammatories, competing against Upjohn's Motrin and Syntex Laboratories' Naprosyn products.

The $4 billion cardiovascular category in the U.S. is dominated by another Pfizer pharmaceutical product, Procardia, with sales of $159 million in 1984, a 29.8% increase for the product leased from Bayer A.G. of West Germany since 1976. The drug, company spokespersons say, holds half of the U.S. market for calcium channel blockers. Its primary competitor is Cardizem from Marion Laboratories. Pfizer is conducting studies to further stimulate use and sales of the product beyond the prevention of spasms of the coronary artery in angina sufferers—Procardia's current usage. The drug also is undergoing testing in the treatment of two other ailments, Silent Myocardial Ischemia and hypertension, which is said to affect more than 40 million Americans.

Another Pfizer drug, the antihypertensive Minipress, increased its sales 19% in 1984, to $200 million, becoming the segment's second biggest seller. It will go off patent in a few years, however, making it available for generic distribution.

Cefobid is the third member of a trio, which also includes Feldene and Procardia, that accounted for one-third of Pfizer's pharmaceuticals' worldwide sales. The broad spectrum antibiotic's sales rose 5% to $124 million last year, aided by its low dosage (twice a day), which presents Cefobid as a cost-efficient choice for hospital use. But as a category, antibiotic sales plummeted 13% at Pfizer. The company attributes part of the downward trend to the increasing use of generic substitutes for Pfizer's Vibramycin product.

Pfizer's own participation in the $2 billion generics market through its Pfipharmecs division is a matter of controversy within the company. Still a small part of the Pfizer business, (about $50 million worth), Pfipharmec's future role may expand, including the possible marketing of non-Pfizer generics, which would naturally become the thrust of the new division. Continued erosion of Pfizer's branded products through off-patent action is certain to be a determining factor. Diabinese, an antidiabetic treatment product that went off-patent last October, contributed more than $150 million in sales last year.

Pfizer is fighting back generic competition to its drugs through the development of new products. Among these is Glucotrol, an oral antidiabetic drug that entered the market through Pfizer's Roerig division in June, 1984. Advertising for the new drug, targeted for use by diabetics not dependent on insulin, is handled by William Douglas McAdams Inc., New York. Another product, Sorbinil, which counters the complications of diabetes, is still under study, and Pfizer hopes to launch the drug within the next few years.

Acquisition activity dominated Pfizer's hospital products division of the healthcare segment. The most recent was Pfizer's purchase of American Medical Systems on May 10, 1985, for $106 million in stock. The Minnetonka, Minn.-based company manufactures urological devices for the treatment of impotence and incontinence. Other purchases included Brent Surgical, a Canadian distributor of hospital cardiovascular products, which Pfizer bought in May, 1984, at an undisclosed price, and Swiss-based Schneider-Medintag, manufacturer of angioplasty products such as the MultiPro balloon catheter, used to dilate narrowed coronary arteries, providing an alternative to coronary bypass surgery. The hospital products group also sold its dental division in a leveraged buyout to management.

The hospital product group's performance was bolstered by $90 million in sales of various new specialty products. Pfizer's share of the $200 million cardiovascular supplies market totals 10%, an area dominated by American Hospital Supply Corp.'s 50% share and C.R. Bard and Baxter-Travenol's 15% and 12% respective shares.

Pfizer's agricultural division received FDA approval in February, 1985, for a system that protects cattle against parasites.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	705	1,333
Magazines	13,956	10,959
Network cable	190	35
Spot tv	2,396	2,860
Network tv	38,730	34,689
Spot radio	0	84
Network radio	130	446
Outdoor	93	7
Farm pubs	1,917	1,582
Total measured	58,117	51,171
Total unmeasured	28,573	20,949
Estimated total	86,690	72,120

PFIZER INC.
235 E. 42nd St.
New York, N.Y. 10017
(212) 573-2323

Agricultural Division
Marketing Personnel

R.M. Hendrickson, president
E.T. Hughes, vp-sales
R.N. Fountain, vp-mktg
J.F. Moran, vp-operations
R.A. Stacchini, mktg mgr, communications
R.G. Klein, mktg mgr-animal health
L.W. Sein, mktg mgr-feed supplement prod

Advertising Agencies

Barickman Advertising, Kansas City—animal health—Jim Acrt, acct super.

Brewer Advertising, Kansas City—genetics—A.J. Adolf, acct super.

LEEMING/PACQUIN DIVISIONS
Marketing Personnel

J.F. Harmon, president-consumer prod
J.F. Anderson, senior vp-mktg
R.L. Unger, vp-mktg
T.F. Coughlin, vp-sales
G.H. Schulze, vp-new prod devel

Advertising Agencies

Avrett, Free & Ginsberg, New York—Unisom, Sleep aid—Don Bandman, exec vp; Marlene Wheeler, acct super.

Ted Bates Advertising, New York—Visine, Visine A.C., Visalens—Lee Hines, exec vp; Vickie Mendlewski, acct super.

McCaffrey & McCall, New York—Ben-Gay, Desitin, Pacquin, Rheaban—Burtis Flounders, mgmt super; Janet Boyle, acct super.

COTY DIVISION
Marketing Personnel

J.F. Harmon, president, consumer prod
J.T. Markowski, vp-mktg
J.L. Abernathy, senior vp-sales
J. Webster, vp-sales

Advertising Agencies

Adforce Inc. (in-house), New York—media planning & buying activities—Robert Geller, president; John McAvity, vp-broadcast; Martin Gennusa, vp-media.

Hicks & Greist, New York—Sophia, Overnight Success, cosmetics—Joanna Avery, acct exec.

John Paul Itta Inc., New York—Nuance, Musks—Marc Engelman, acct exec.

Warwick Advertising, New York—Emeraude, Stetson—Pam Sarnoff, acct exec.

LEEMING/PACQUIN & COTY
MARKET RESEARCH

S.W. Newman, vp-mktg rsch
H.K. Gray, vp-purchasing & packaging devel
W.T. Doran, vp-rsch & devel

CHEMICAL DIVISION
Marketing Personnel

D.F. Farley, vp-operations
P.J. Regan, vp-operations
W.D. Benfer, vp-U.S. sales
F.P. Chapman, vp-field operations

Vincent DeGennaro, dir-adv & promo

Advertising Agency

D'Arcy MacManus Masius, New York—F.P. Harvey, senior vp-mgmt super; Charles Rose, vp-acct super; D.E. Bray, acct exec.

PFIZER PHARMACEUTICALS
Marketing Personnel

S.G. Gilgore, president
J.T. Curti, senior vp-medical & pharmaceutical devel
J.N. Arvesen, dir-mktg rsch & planning

PFIZER LABORATORIES
Marketing/Sales Personnel

W.C. Steere, exec vp-dir-operations
G.N. Jortner, vp-mktg
W.J. Robison, vp-sales
W.B. Surran, dir-mktg services

Advertising Agencies

Carrafiello Diehl & Associates, Irvington, N.Y.—Sinequan—T. Bennett, vp; W. Hanley, acct exec.

Dorritie & Lyons, New York—Minipress, Minizide, Feldene, Procardia, Renese—John Dorritie, president.

Klemtner Advertising, New York—Vibramycin, Terramycin, Oral Vistaril, other ethical drugs—Morgan Cline, president.

William Douglas McAdams Inc., New York—Diabinese, Glucotrol—Stephen Haber, vp; Howard Mandlebaum, senior vp.

ROERIG DIVISION
Marketing Personnel

P.G. Tombros, senior vp, dir-operations
K.L. Katen, vp-mktg
L.L. Larkin, vp-sales

Advertising Agencies

Robert A. Becker Inc., New York—Geopen, Geocillin, Antivert, Atarax—James Stroup, acct exec.

Cline Davis & Mann, New York—Glucotrol, Spectrobid, branded ethical drugs—Jack Slonaker, vp; Jed Beitler, vp-acct exec.

Dorritie & Lyons, New York—Cefobid, Marax—John Dorritie, president.

PFIPHARMECS DIVISION
Marketing Personnel

F.D. Price, vp, dir-operations
S.B. Harr, dir-mktg & sales

Advertising Agency

S.J. Weinstein Associates, New York—Bonine, Geopen, Rid—Barry Frankel, vp-mgmt super.

MINERALS, PIGMENTS
& METALS DIVISION
Marketing Personnel

D.R. Thacker, president
W. Nazarewicz, vp-minerals
P.A. Guercio, vp-metals
G.L. Metcalf, vp-pigments & magnetics mktg & sales

Advertising Agency

Adforce Inc. (in-house), New York—Robert J. Geller, president; John M. McAvity, vp-broadcast; Martin J. Gennusa, vp-media.

HOSPITAL PRODUCTS

E.C. Bessey, president-ceo
R.B. Whitman, senior vp
D.M. Fitzgerald, senior vp-worldwide orthopedics, president-Howmedica Inc.

Advertising Agency

Techni-Graphics—Hugh Phares, president.

QUIGLEY CO.
Marketing Personnel

J.P. Bartels, chmn
J.C. O'Donoghue, president
D.R. Holmes, vp-intl operations
L.J. Dreyling, vp-technical
R.M. Galloway, vp-sales & mfg

AD FORCE INC.
Marketing Personnel

Robert J. Geller, president
John M. McAvity, vp-broadcast
Martin J. Gennusa, vp-media

Pillsbury Co.

RANK
22

Minneapolis

($ figures = 000,000)

Worldwide	1985	1984	% chg
Sales	4,700	4,172	12.0
Net income	192	170	13
U.S.			
Sales	N/A	3,817	N/A
Operating profits	N/A	166	N/A
Advertising	318	214	48.7
Division sales			
Consumer foods	2,410	2,166	11.3
Restaurants	2,053	1,769	16.1
Commodities	207	238	-12.8

Pillsbury Co., Minneapolis, ranked as the 22nd largest national advertiser in 1984, increasing its total U.S. advertising and promotion spending to an estimated $318.4 million, up 48.7% from the previous year.

Worldwide, the company says it recorded $473.7 million in advertising and promotion-related costs in 1984, compared with $390.6 million in 1983. Worldwide figures also include some selling costs.

Fiscal 1985, ended in May, was

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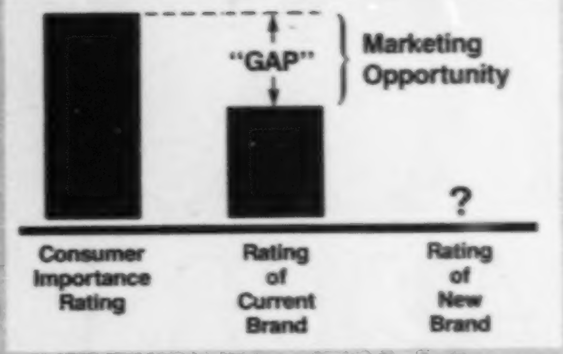

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Pillsbury's 14th consecutive year of increased sales and net earnings. Revenue for the period was up 12%, to $4.7 billion. Net earnings rose 13% from fiscal 1984, to $191.8 million.

Pillsbury's domestic spending in nine measured media during calendar 1984 was $224.2 million, up 49% from 1983. The big increase came in spending for its restaurants, including Burger King, and for Green Giant frozen foods, new formula yeast-dough products and the new microwave food line.

The image of the flour miller, the purveyor of basic ingredients for home food making, is hardly accurate anymore. In 1984, Pillsbury spent about $80,000 to advertise Pillsbury's Best flour. It spent $130.5 million to advertise Burger King, its biggest restaurant subsidiary.

Reflecting the evolution affecting the company, Pillsbury in February, 1985, reorganized its corporate structure along consumer lines instead of distribution lines. Essentially, food product function (meals) rather than commodities is the new approach.

In marketing goals and expenditures, microwave items were Pillsbury's biggest food new-product area in 1984. Introductions included Totino microwave pizza and Pillsbury microwave pancakes. These products are based on a new technology making use of a pad in the product to collect and concentrate microwave energy. Totino is the No. 1 producer of frozen pizzas, accounting for more than a third of the $550 million U.S. market.

A second area of new development in 1984 was bakery products. Among those introductions were items based on a new yeast-dough technology that is said to bring "bakery-fresh flavor" into the home kitchen. Included were soft breadsticks and also apple danish and cinnamon sweet rolls, all refrigerated to-be-baked products.

Other new bakery products were Pudding Pockets cupcakes, small cakes with a custard-like filling, and the heavily promoted Toaster Strudel, available with several fillings. Also introduced were several new flavors of Pillsbury cake mixes.

Disappointing in this baked goods area were the 1984 introductions of Dry Mix yeast bread, a home baking product, and the Milk Break bar, a cereal snack bar, both of which fell flat in the marketplace, although Pillsbury continues to push the products.

New vegetable products for 1984 included a line of prepared combination Green Giant frozen vegetables and boil-in-bag stuffing, a side dish, both supported by heavy advertising—$4.2 million for the Green Giant vegetables (including existing line items also) and $2.6 million for the stuffing.

Consumer foods segment sales for fiscal 1985 were up 4.3%, to $2.4 billion. Operating profit was up 22%, to $211.5 million. Sales of the meals and snacks section were up 46% to $373 million. Vegetables and side dishes sales rose 12% to $434 million. Bread and baking products increased just 1% to $1.21 billion, and ice cream climbed 34% to $130 million in sales.

Major developments in consumer foods included the acquisition of Van de Kamp's Foods, Long Beach, Cal., from General Host Corp., Stamford, Conn., in November, 1984, for $102 million. The addition gives Pillsbury a frozen fish line, one of the fastest growing areas in grocery sales. Van de Kamp is the third-ranking frozen fish processor behind Mrs. Paul's (Campbell Soup Co.) and Gorton's of Gloucester (General Mills).

Pleased with the performance of its Haagen-Dazs Ice Cream acquisition of 1983, Pillsbury added another premium ice cream maker in 1984—Sedutto Co., a New York producer of premium ice creams.

Pillsbury is now the biggest single operator in the $125 billion-a-year restaurant industry with its two restaurant companies, Burger King Corp. and S&A Restaurant Corp.

Serving more than 40 million meals a week, the restaurant group had fiscal 1985 sales of $2.05 billion, up 16.1%. Operating profits climbed 17.4%, to $220 million. The group had 477 new restaurants in 1984, the most ever in a single year, bringing the total to 4,601.

Current developments for Burger King include introduction of the Croisan'wich, a breakfast croissant that has pushed Burger King's breakfast sales share to 12% of market from 5%; beefing up of the famed Whopper hamburger with a meatier patty and kaiser roll-style bun, and the Burger King debut of a new restaurant concept, the Quik Wok, an Oriental-mode eatery.

Burger King bought the nine-unit Quik Wok chain in San Antonio, Tex., and expects to use it as the base for blending its fast-food savvy with ethnic food in a new restaurant effort.

Perhaps the biggest development from Burger King is the acquisition, in May, 1985, of Diversifoods, Itasca, Ill., for approximately $386.4 million in cash. This was Burger King's largest franchisee, with 377 units, many in Chicago and New Orleans, and its acquisition will enable Burger King, by 1986, to reach its goal of 20% company-owned units in the chain.

Also owned by Diversifoods were 1,000 other restaurants, including Godfather's Pizza, Luther's Bar-B-Q, Moxie's Delux Grille, Cork & Cleaver and Cisco's Mexican restaurants. Pillsbury is keeping Godfather's, but has yet to decide whether to develop or dispose of the other properties.

To back marketing strategies in its three business segments, Pillsbury says that its ad spending will increase 20% in 1985-86.

Heavy increases in spending for 1984 were made for restaurant advertising, most of it on tv, both network and spot.

According to product advertising in six media monitored by Leading National Advertisers, spending for S&A unit, Bennigan's, quadrupled, to $2.7 million in 1984 from $621,900 in 1983, nearly all for spot tv.

Burger King spending was $130.5 million, up 53% from 1983. Magazine spending by Burger King dropped 62% in 1984, to $320,100, but network tv was up 44%, to $51.3 million. Spot tv rose 67% for Burger King, to $78.1 million.

Steak & Ale 1984 ad spending in measured media was $6.4 million, up 39% from 1983. While spending was roughly an even split between network and spot tv in 1983, network grew to 63% of the total in 1984, with the balance going to spot tv.

Over-all, Pillsbury spending for media advertising in 1984 included: Magazine expenditures, about even at $2.5 million for both years; network cable, up 37%, to $757,000; spot tv, 63% higher, reaching $99.1 million; network tv, 44% higher, rising to nearly $107 million, and spot radio, larger by 25%, reaching $12 million. Outdoor spending by Pillsbury in 1984 dropped 14%, to $849,000.

Spending for media advertising of the Green Giant frozen vegetables and entrees nearly tripled, going to $12.7 million in 1984. All was for spot and network tv in 1984 and 1983.

Measured spending for the new microwave foods line reached $4.8 million in 1984, more than triple the $1.3 million spent in 1983, and largely because of introducing the new microwave frozen pizza, which received backing of $1.7 million.

Advertising backing for the new-formula yeast dough products was slightly more than $8.5 million, including $8.47 million on network tv, $177,200 on spot tv, and $29,100 in magazines. Media spending for the refrigerated dough line rose 14% in 1984, climbing to $16.4 million over 1983. In 1984, network and spot tv received all but $617,000 of this total, which went to magazines.

The Pillsbury line of cake mixes, brownie mixes and frostings received ad backing of $8.5 million in 1984, down 18% from 1983. Refrigerated biscuits had total ad spending of $2.4

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million in 1984, up from approximately $49,000 spent in 1983. Although the Van de Kamp's fish line acquisition was not made until December, 1984, that spending totaled $3.9 million, all of it for spot tv.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,965	917
Magazines	2,499	2,498
Network cable	757	551
Spot tv	99,106	60,781
Network tv	106,983	74,337
Spot radio	12,014	9,640
Network radio	0	810
Outdoor	849	988
Total measured	224,173	150,522
Total unmeasured	94,300	40,973
Estimated total	318,473	214,100

PILLSBURY CO.
200 S. 6th St.
Minneapolis, Minn. 55402
(612) 330-4966

Marketing Personnel

Consumer Products Group

Tom McBurney, president, Pillsbury Foods
Tom Gartner, vp-genl mgr, growth & devel
Don Osell, vp-mktg services
Ron Kos, dir-adv services

Refrigerated Dough Products

Bob Lindsay, vp-genl mgr
Bill Howe, dir-mktg

Light Meals & Snacks

Dick Nickel, vp-genl mgr
Dick Anderson, dir-mktg, pizza
Tom Neidhart, dir-mktg, microwave prod
Jeff Christenson, business unit mgr, toaster prod
Mike Paxton, business mgr, Mexican & new prod

Vegetables & Side Dishes

Gary Klingl, vp-genl mgr
Dave Webber, dir-mktg, processed vegetables
Larry Wheeler, dir-mktg, fresh vegetables

Desserts & Sweet Goods

Kent Larson, exec vp
Dan Locke, vp-genl mgr, Value Added specialty prod
Dudley Hauser, dir-mktg, Value Added specialty prod
Robbie Westmoreland, group vp-industrial foods
Bill Hay, vp-genl mgr, flour milling
Darwin Borden, dir-mktg, flour milling (west)
L.D. Compton, dir-mktg, flour milling (east)
Larry Youngblood, vp-genl mgr, bakery prod
Jerry Hanna, dir-bakery mix mktg
Chuck George, dir-foodservice mktg

Main Meals

Steve Pokress, vp-genl mgr
Dan Barnett, vp-dir mktg

BURGER KING CORP.
Miami, Fla.

Marketing Personnel

Don Dempsey, exec vp-mktg
Ray Hood Phillips, Tom Kupciunas, Tom Kettinger, dirs-adv & promo
Tom Sawyer, dir-field mktg
Denis Hitchmough, dir-media
Mike McCaffrey, vp-mkt rsch
Steve Rann, dir-mkt rsch
Barry Schwartz, dir-mkt rsch

Advertising Agencies

Batten, Barton, Durstine & Osborn, New York—cake & bread mixes, frostings, All-ready pie crusts, Pillsbury Microwave prod, artificial sweetners, new prod—Robert Spofford, mgmt super.

Leo Burnett USA, Chicago—Green Giant prod, refrigerated foods, Hungry Jack potatoes & pancakes, Totino's pizza—Bill Boris, exec vp; Edson Sessions, acct dir.

Ketchum Advertising, San Francisco—family flour, Figurines, Milk Break milk bars, new prod—Robert Kroyer, ceo; Anne Fisher, mgmt super; Rosilyn Young, acct super; Kathleen Brunswick, acct exec.

Marketing Southwest, San Antonio, Tex.—Quik Wok restaurants—Nancy McWethy, acct super.

Pride, Barber & Pride, Minneapolis—bakery flour, mixes & equipment, foodservice—William Barber, president, dir client services.

SSC&B: Lintas, New York—Steak & Ale, Bennigan's restaurants—Terry Rosenquist, mgmt super.

J. Walter Thompson USA, New York—Burger King—Stephen G. Bowen, Jr. senior vp.

HAAGEN-DAZS ICE CREAM
(including Sedutto Ice Cream)
Teaneck, N.J.

Marketing Personnel

Jeff Shoal, vp-mktg
James E. Richards, Jim Gollhofer, v[illegible]es

Advertising Agency

McCann-Erickson, New York—Haagen-Dazs—John Dooner, head acct rep; S[illegible]e Hurwitz, mgmt rep; Dana Ferguson, [illegible] super; Denise Madison, acct exec.

S&A RESTAURANT CORP.
(Steak & Ale, Bennigan's)

Marketing Personnel

Lane Cardwell, vp-strategic planning
Scott Burcham, vp-mktg, Bennigan's
Norma Karter, mktg mgr, Bennigan's
Tom Koeningsberg, senior mktg mgr, Bennigan's
Ruth Reed, dir-mktg, S&A
Rich Martino, mktg mgr, S&A

Advertising Agencies

Rosenberg & Co., Dallas, Tex.—Bennigan's—Trey Morgan, acct exec.

SSC&B, New York—Steak & Ale—Robert D. Wadsworth, exec vp.

VAN DE KAMPS
Long Beach, Cal.

Marketing Personnel

Daniel Barnett, vp-mktg
Peter Nolan, vp-sales

Advertising Agency

Benton & Bowles, Los Angeles, Cal.—Today's Catch frozen fish—Andy Beilansky, mgmt super; Diane Krouse, acct exec.

AZTECA CORN PRODUCTS CORP.
Chicago, Ill.

Marketing Personnel

Jerome Chambless, dir-mktg & sales
Thomas P. Gworek, natl retail sales mgr
Renee Pogher, mktg mgr

Advertising Agency

Keroff & Rosenberg Advertising, Chicago, Ill.—Azteca brand tortillas—Chas Rosenberg, exec vp-creative dir.

GODFATHER'S PIZZA
Omaha, Neb.

Marketing Personnel

Peter Stewart, vp-mktg
James McBride, vp-adv & sales promo
Joann Kelly, dir-field mktg

Advertising Agencies

Cole & Weber, Seattle, Wash.—media—Stephanie Welch, media mgr.

Dailey & Associates, Los Angeles, Cal.—Godfather's pizza—Reilly Leonard, acct super; Doug Hector, mgmt super.

Procter & Gamble Co.

Cincinnati

RANK **1**

($ figures = 000,000)

Worldwide	1985	1984	% chg
Sales	13,550	12,946	5.0
Net income	635	890	-29.0
U.S.			
Sales	10,240	9,544	7.2
Operating profits	N/A	N/A	N/A
Advertising	872	789	10.5
Division sales			
Cleaning prods.	4,884	4,715	3.6
Personal care	5,107	4,930	3.6
Food prods.	2,815	2,461	14.4
Other prods.	1,237	1,309	-5.5

Procter & Gamble Co. remained the largest national advertiser in 1984 with total U.S. advertising and promotion expenditures of an estimated $872 million, an increase of 10.5% over the previous year.

The Cincinnati-based household products marketer had fiscal 1985 sales of $13.55 billion, up 5% from the previous year. Worldwide earnings, however, were $635 million, a drop of 29%. The U.S. contribution to earnings was $521 million.

Procter & Gamble spent an estimated $1.09 billion in worldwide advertising in fiscal 1985, up 11.7% over fiscal 1984, according to household products analyst Hugh Zurkuhlen of Salomon Brothers. Of that total, an estimated 80% was spent on U.S. advertising—$132 million of which was in unmeasured media and promotions.

According to nine measured media, P&G measured advertising for 1984 totaled $740.4 million in the U.S., up [illegible].8% from 1983. P&G became the leader in network cable spending in the U.S. during 1984 with an expenditure [illegible] $24.[illegible] million, up 59.2%, passing 1983's No. 1 cable advertiser, Anheuser-Busch.

U.S. sales for P&G in fiscal 1985 were $10.24 billion, 75.6% of the worldwide total, and up from 73.8% of the worldwide total in 1984.

About halfway through fiscal 1985, P&G announced it would report the company's first earnings decline in 33 years. P&G's last earnings decline was a 19% drop for 1952. This year's drop of 29% was more dramatic. Analysts attribute the drop to a series of marketing mistakes the company made in a number of its key product categories.

However, analysts are more optimistic about earnings potential for fiscal year 1985-86. Hercules Segalas of Drexel Burnham Lambert, New York, predicts a positive earnings swing for P&G in the new fiscal year, which began July 1, because "there will not be as heavy a level of spending, [allowing] earnings to climb again."

During 1985, P&G found itself spending more than it expected in its key product categories of disposable diapers, dentifrices and laundry detergents, while at the same time supporting the introduction of 15 new products. However, all of the new P&G products introduced during 1984 sported familiar brand names as the company moved full speed ahead with a brand-expansion strategy not previously associated with it. Analysts say the strategy reflects P&G's facing up to the realities of today's competitive marketplace.

Products introduced nationally this year under established brand names are Bounty Microwave paper towels; Citrus Hill Select; Crest tartar control formula toothpaste; Duncan Hines oatmeal and peanut butter ready-to-eat cookies; Folgers decaffeinated instant and regular coffee; Lilt shampoo and conditioner, plus a reformulated line of Lilt home permanent products; Luvs Baby Pants; new Pampers diapers; Prell conditioner; Pringle's sour cream & onion potato chips; Spic & Span pine cleaner, and Liquid Tide laundry detergent.

In the $2.8 billion disposable diaper market, P&G still holds a 46% total market share, although its Luvs and Pampers diapers have steadily lost market share to Neenah, Wis.-based Kimberly-Clark Corp.'s Huggies disposable diapers. K-C's share has grown to 32%, cutting deeply into P&G's once-most-profitable division.

P&G in January announced a $500 million revamping of its diaper production facilities "to market a new generation of Pampers." In addition, P&G will spend another $225 million in advertising and promotion to launch the new diaper via Benton & Bowles, New York.

In measured media spending, P&G spent $26.4 million, up 12% from 1983, with almost all that amount put into network and spot tv time. P&G also spent $23.2 million in measured media to support its Luvs premium disposable diapers. Luvs regular or premium also was upgraded in mid-1985 and renamed Luvs Baby Pants, with an elasticized waistband as well as elastic legbands. Dancer Fitzgerald Sample, New York, is the agency.

The Always line of feminine protection products, P&G's first entry into the estimated $1.5 billion feminine protection category since its Rely tampons were pulled from the market because of their link to toxic shock syndrome, did very well in its first year of national distribution.

P&G spent an estimated $100 million to launch the four-item line and got quick results. Latest market share estimates show Always with a 17% share, slightly less than P&G's projected 20% share. Market leader Johnson & Johnson, New Brunswick, N.J., has a 38% share for its two lines, Stayfree and Sure & Natural; Kimberly-Clark, 32.1% for New Freedom and Kotex, and Tambrands, Lake Success, N.Y., has 9% for Maxithins.

Always received $17.8 million in measured media spending, almost evenly split between network tv and magazines.

Support for P&G's other consumer paper products appears to be gradually dropping. The company's 1984 measured spending totaled $29.4 million, down 12.5% from 1983 for the eight products in this category.

Only Bounty paper towels and Banner bathroom tissue recorded increases, with Bounty up 27% to $11.2 million in measured spending, and Banner up 38% to $7.6 million. Bounty holds almost 20% of the $1.3 billion paper towel business, and late in the year introduced Bounty microwave towels.

At the same time, P&G also began testing Special Touch by Puffs, a facial tissue impregnated with lanolin. The lotioned facial tissue is similar to Procter & Gamble's Certain, a lotion-impregnated bathroom tissue.

Special Touch, positioned as the tissue that "helps take the 'Ow' out of blowing," was backed with $67,200 in measured media spending, compared with $5.09 million for regular Puffs. Puffs is the third-largest facial tissue in the $1 billion category, trailing K-C's Kleenex and Philadelphia-based Scott Paper Co.'s Scotties.

P&G is the leading marketer nationally of bathroom tissue, holding close to a 30% share of the $2 billion market. In addition to Charmin, which received $7.5 million in measured media spending, other brands include White Cloud with 8.3% and Banner with 3.1%. White Cloud was backed with $2.56 million in measured spending, down 12% from 1983.

In the personal care area, P&G had trouble defending its market share in the $1 billion dentifrice category. At the end of 1984, Crest's share had fallen to 30.5%, from 36% six months earlier. New York-based Colgate-Palmolive Co.'s Colgate gained the most, picking up at least 3 share points to hold a 26% share. Latest figures show Crest at slightly more than 29% and Colgate a bit more than 28%.

Industry watchers predict Crest will win back some share with its $37 million introduction of Crest tartar control formula, P&G's effort to combat Colgate's $40 million national launch for its plaque-fighting Dentagard toothpaste.

In measured media spending, P&G spent $31.7 million on Crest, down 14.5% from 1983 measured spending, including $2.1 million for a separate Crest gel toothpaste campaign. The bulk of Crest's media buy consisted of network and spot tv, with some magazine support.

P&G's cosmetic Gleem toothpaste spending dropped 46% to $4.4 million in measured media spending, mainly through spot tv buys. Leo Burnett USA, Chicago, handles.

Measured media support for Scope mouthwash declined slightly to $12.8 million.

In the nearly $1.3 billion (retail sales) deodorant/antiperspirant market, P&G's Secret and Sure held steady throughout the fiscal year. Secret holds an 11.1% share and Sure has 12.5%.

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Measured media spending increased slightly to $31.8 million for both Secret and Sure.

P&G last summer introduced an eight-item Ivory shampoo and conditioner line into the $3 billion haircare category, backed with an estimated $35 million budget, $10.5 million of that in measured media spending. The economy priced line to date hoids an estimated 5.1% share of unit sales in the shampoo category, according to the A.C. Nielsen Co., Northbrook, Ill.

P&G's Head & Shoulders dandruff shampoo is considered to be the No. 1 product in the category, claiming an estimated 10% share of unit sales. Salomon Brothers' Mr. Zurkuhlen estimates P&G owns 28% of the retail shampoo market, a coverage split between five brands—Head & Shoulders, Ivory, Lilt, Pert and Prell.

In early autumn, P&G introduced a premium-priced shampoo and conditioner for permed hair under its Lilt franchise, making the company the fourth competitor to enter the permed and color-treated haircare category. The line is positioned as "the permed haircare system," via Burnett.

Measured media spending fell for Pert and Prell during fiscal 1985, Pert declining 10.4% to $6.3 million, and Prell plummeting 33% to $8.4 million, despite the introduction of new Prell conditioner. Head & Shoulders' budget increased 21% to $16.7 million.

After battling Greenwich, Conn.-based Chesebrough-Pond's over advertising for their competing hand lotions, both companies in July finally agreed to modify or discontinue ads for Vaseline Intensive Care and Wondra hand lotions, respectively.

The Wondra ad claimed the product "has the most moisturizing glycerin of ali leading lotions and Wondra is best at turning rough, dry hands soft and smooth." Benton & Bowles, New York, is the agency.

The Vaseline Intensive Care ad claimed, "When it comes to relieving dry skin, no leading lotion beats Vaseline Intensive Care." William Esty Co., New York, handles.

Measured media support for Wondra decreased 2.1% to $3.9 million during fiscal 1985.

P&G decreased measured media spending for its bar soaps, dropping 14.8% to $44.3 million during the fiscal year. Ivory bar and liquid soaps were up slightly to $16.5 million, although all other brands reported decreases, including Camay, Coast, Lava, Safeguard and Zest. Measured media spending also dropped 30% to $306,000 for Monchel, a face and body soap currently in test market.

P&G fared slightly better in the $3 billion detergent category, mainly because the company responded early to coming competition. The company rolled nationally an unscented Tide powder and added a Tide liquid to its line in recognition that liquids, though accounting for only 22% of total business, are the fastest growing segment.

That trend hit close to home when New York-based Lever Bros.'s Wisk ousted Cheer for the No. 2 slot in the total market. P&G backed the late 1984 introduction of Liquid Tide with a $50 million campaign via Saatchi & Saatchi Compton, New York.

For the April-and-May 1985 period, Liquid Tide captured 6.9% of the total category, but regular Tide slipped from 14.7% in December and January to 13.2% in April and May, while unscented Tide is down to 4.7% from 5.3%.

Backed by slightly lower measured media spending of $16.5 million, Era Plus dropped to a 3.5% market share. Cheer, backed with $9.4 million, slipped to less than 7% from 7.3%. With the exception of Liquid Tide, P&G's laundry detergent division recorded a 25% drop in measured support to $71.6 million.

P&G also faced heavy competition from Lever in three categories—fabric softeners, automatic dishwasher detergents and dishwashing liquids—that P&G has dominated for years. Lever's Snuggle fabric softener, now with both liquid and sheets-for-the-dryer versions, has taken share from P&G's Downy liquid and Bounce sheets by carving out a lower-price but parity-performance niche.

While Bounce lost 16% of its measured media support during the year, Downy's budget was up 50% to $19.5 million over the previous year. Biz all-fabric bleach also rose 53.6% to measured media support of $7.1 million.

With the introduction of Sunlight for automatic dishwashers, P&G's Cascade automatic dishwasher detergent has dipped under the 50% share mark for the first time in years, despite a 27% increase in Cascade's measured media spending to $16 million and the introduction of lemon-scented Cascade.

Sunlight light-duty liquid, although still in fifth place, has eaten away at the shares of P&G's Joy, Ivory and Dawn liquids. P&G increased spending 4.4% to $41.5 million in the light-duty dishwashing category.

In the general household cleaning category, P&G introduced Spic 'N Span pine liquid cleaner, backed with $2.8 million in media spending. Comet cleanser received a 26% increase to $6.4 million, while both Mr. Clean and Top Job lost measured media support—Mr. Clean dropped 5.6% to $7.2 million, while Top Job slipped 2.5% to $7 million.

Over the past few years, P&G has been relatively quiet on the coffee front; however, last August, the company did move swiftly into national distribution with Folgers instant and regular decaffeinated coffee, without prolonged test-marketing.

Instant coffee accounts for some $1.5 billion in retail sales, about half the size of the ground-coffee market. P&G's share in instant, with High Point and Folgers brands, has edged up to 17%. In ground coffee, Folgers holds a 27% market share.

Last September, P&G ended its 20-year relationship with Mrs. Olson, restaging Folgers with a Folgers' ad campaign.

P&G's key coffee competitor, General Foods Corp., White Plains, N.Y., unleashed several new coffee products during the year, including Yuban decaffeinated coffee; Maxwell House decaffeinated, both instant and ground; International Coffees with NutraSweet, and is testing a line of premium ground items called Maxwell House Master Collection.

"P&G's feeling is that it's time to make some money, so they're calming down in terms of marketing expenditures in coffee, which historically has been big in sales and small in profits," Mr. Zurkuhlen says.

Folgers increased measured media spending 33% to $34.6 million in 1984. Spending for High Point rose 20.7% to $14.7 million.

In 1982, P&G acquired the Tender Leaf tea business, but to date has not done much in this companion category. Measured media spending totaled $174,000 in 1984.

P&G tried to make a major splash with its Citrus Hill Select chilled and frozen concentrate orange juice brand, but to date, has made only small waves. The company knew it would be expensive to enter the $2.5 billion market, and some analysts peg P&G's loss between $80 million and $110 million during calendar year 1984.

The juice has garnered an 11% share in the chilled segment and a 7% share in the frozen segment for an estimated 9% total share, according to Eric Larson, an analyst at Paine Webber, New York.

Analysts don't expect Citrus Hill to rise above a 10% share during 1985 in a market that's dominated by generic and private-label brands, even though ad spending is estimated at $50 million.

P&G may have bitten off more than it could comfortably chew by entering the $3.1 billion ready-to-eat cookie market in 1984 with a product that's now considered a parity product at

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During the year, P&G concentrated on expanding its Duncan Hines soft center cookies. The 10-item line now includes oatmeal chocolate chip, oatmeal cinnamon, oatmeal raisin and peanut butter nut, in addition to its original chocolate-chip based varieties.

The latest available market share data show P&G has a 5% share of the category; Nabisco Brands, Parsippany, N.J., has retained its tight grip on the market, however, with an estimated 40% share.

P&G entered the market with a product based on a new technology—a cookie that was crunchy on the outside, soft on the inside. However, Frito-Lay, Dallas, Nabisco and Keebler Co., Elmhurst, Ill., came up with the same kind of cookie before P&G concluded its lengthy test marketing, leaving P&G with a parity product. P&G now has patent-infringement suits pending against the three cookie companies.

P&G spent $14 million in measured media during 1984 to support the Duncan Hines cookie line, with an additional $27 million for its other Duncan Hines cake, cookie and muffin mixes and frostings.

The company's soft drink business, which started with the purchase of Crush International, has done little more than gain a 1% share of the $25 billion retail soft-drink market. The major brands are Orange Crush (and other Crush flavors), Hires root beer and lemon-lime-flavor Sun Drop. Ad spending for Crush and Hires is minimal, less than $7 million in measured media for all soft-drink brands last year.

Fiscal 1985 was thought by many P&G analysts to be the breakthrough year for the company's Norwich Eaton Pharmaceuticals division, Norwich, N.Y. The unit's best-known consumer product is Pepto-Bismol stomach remedy, which received $15.1 million in measured media support during the year.

After what was possibly one of the shortest market tests in P&G history, the company rolled nationally in May, 1984, with Encaprin, an enteric-coated, extra-strength arthritis pain reliever.

Unfortunately for P&G, Encaprin's launch into the $1.2 billion analgesics category was answered by the introduction of ibuprofen-based pain relievers by Bristol-Myers Co. and American Home Products Corp., both based in New York.

B-M's Nuprin, via Grey, and AHP's Advil, via Young & Rubicam, each received more than $50 million in advertising and media support. The Encaprin budget is estimated to be between $35 million and $50 million; the brand received $18.7 million in measured media support. However, the brand's market share has failed to rise much above 1%.

"The introduction of Advil and Nuprin made for a competitive environment, but we feel Encaprin's introduction was not overshadowed nor drowned out," a P&G spokeswoman says.

P&G also handed longtime agency Leo Burnett USA, Chicago, two additional accounts in the division: Chloraseptic sore-throat spray and lozenges and Head & Chest cold medicine, which had been handled by Henderson Advertising, Greenville, S.C. Henderson is no longer a P&G agency. Head & Chest received $4.3 million in measured media spending in 1984 and Chloraseptic received $6 million.

During fiscal 1985, P&G also battled a resurgence of rumors falsely connecting the company to the Church of Satan. However, in April, P&G announced it would drop its familiar moon-and-stars logo from product packaging, following repeated unsuccessful efforts to stem rumors that the logo's symbolism represented an association with the devil. The company also filed suits against a minister, a schoolteacher and two others, alleging they spread "false and malicious" rumors that the company worships Satan. The suits are pending in federal courts in Virginia, Pennsylvania and Kansas.

As in product development, P&G used its internal advertising department and agencies to get the fastest and most cost-efficient ad response. As part of its re-evaluation, P&G and the ABC Television Network in November announced cancelation of "The Edge of Night," ending a 28-year run.

Cable tv and broadcast syndication now are thought to be the company's major growth areas for its product advertising budgets.

Over-all, P&G's spending for eight measured media increased 11.2% to $788.8 million, including network cable tv up 59%; broadcast network tv, 12.5%; spot tv, 4.3%; magazines, 23.7%; spot radio, 25.7%; network radio, 164%, and outdoor, 98%. Only newspapers declined, falling 33%.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	6,547	9,831
Magazines	49,735	40,185
Network cable	24,182	15,172
Spot tv	239,331	229,245
Network tv	412,747	366,663
Spot radio	3,517	2,796
Network radio	3,977	1,504
Outdoor	300	191
Total measured	740,416	665,587
Total unmeasured	131,584	123,200
Estimated total	872,000	788,791

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Marketing Personnel

L.A. Pritchett, vp-sales
W.P. Nock, sales mgr-beverage div
F.W. Caswell, sales mgr-beauty care div
M.E. Szymanczyk, sales mgr-bar soap & household cleaning prod div
A.H. Welch, sales mgr-packaged soap & detergent div
J.K. Goodwin, sales mgr-paper prod div
T.A. Muccio, sales mgr-food prod div
G.M. Breissinger, sales mgr-health & personal care div
H. Tecklenberg, senior vp-Norwich div
J. Palmer, sales mgr-soft drink div

Advertising Personnel

A. Harris, senior vp-genl adv & mgmt systems div
R.V. Goldstein, vp-adv
M. Upson, adv mgr-beverage div
J.T. Smith, adv mgr-food prod div
B.L. Byrnes, adv mgr-packaged soap & detergent div
R.H. Van Wagener, adv mgr-bar soap & household cleaning prod
M.S. Levy, adv mgr-health & personal care div
T.A. Moore, adv mgr-beauty care div
W.J. Wallace, adv mgr-paper prod div
E.C. Strobel, mktg mgr-soft drink div
R.J. Herbold, mgr-mkt rsch dept
V.O. Hamilton, G.G. Carey, R.L. Wehling, div mgrs-genl adv dept
L.R. Love, div mgr-genl adv dept

Advertising Agencies

Benton & Bowles, New York—Bounce, Charmin, Crest, Dawn, Ivory Snow, Pampers, Scope, Wondra, Vibrant, Attends, Ivory shampoo, Pepto-Bismol, Dash, Oasis, Always, Crest Tartar Control Formula, Norwich Aspirin—T. Carey, senior vp-acct dir; R. Hopple, senior vp-acct dir.

Leo Burnett USA, Chicago—Cheer, Era Plus, Camay, Lava, Lilt, Lilt Shampoo & Conditioner, Head & Chest cold medicine, Chloraseptic throat spray & lozenges, Secret, Gleem, Cinch, Pert, White Cloud—Peter M. Husting, senior vp-client services dir.

Burrell Advertising, Chicago—Crest—Linda Pharr, vp-mgmt super; Elisa King, Fay Ferguson, acct execs.

Cunningham & Walsh, New York—Folgers, Crush, Hires, Special Touch by Puffs, Citrus Hill Select, Certain, Citrus Hill—W. Albright, exec vp-acct group dir; Jack Snow, vp-mgmt super; Peter Hochman, mgmt rep-dir, Folger's, Citrus Hill, Crush, Hires; Rodger Groves, mgmt rep-dir, Puffs.

Dancer Fitzgerald Sample, New York—Bounty, Encaprin, Oxydol, Dreft, Luvs, Solo, Tender Leaf—J. Fuller, mgmt group dir; T. Love, R. Pounder, mgmt supers; Dick O'Brien, J. Plumez, mgmt group dirs.

Grey Advertising, New York—Downy, Joy, Bold 3, Jif, Puffs, Duncan Hines cookie mix and ready-to-serve cookies, Puritan.

Jordan Case Taylor & McGrath, New York—Zest—Alice Bond, vp-mgmt super.

Klemtmer Advertising, New York—professional Highpoint coffee, Ivory soap—Chris Woodbury, acct super; Mark Fine, acct exec.

Lally, McFarland & Pantello, New York—ethical pharmaceutical prod—Ron Pantello, president; Beverly Breitenback, acct exec.

Mandabach & Simms, Chicago—fats, oils & shortenings for foodservice—Lee Lippman, senior acct super; William Schoenwald, Andrea Mallen, acct supers; John Corbett, acct exec.

Northlich, Stolley Inc., Cincinnati—coffees, cleaning prod, bar soaps for food service & lodging, coin-vended laundry prod—Bruce Mackey, vp-acct super.

Saatchi & Saatchi Compton, New York—Tide, Cascade, Crisco, Crisco Oil, Top Job, Comet, Comet Liquid, Ivory bar & liquid, High Point, Duncan Hines cake, frosting, brownie and muffin mixes.

Tatham-Laird & Kudner, Chicago—Biz, Mr. Clean, Coast, Head & Shoulders—Bob Hielscher, senior partner; Rawdy Parry, mgmt super.

Wells, Rich, Greene, New York—Pringle's, Safeguard, Sure, Prell, Spic 'N Span, Gain, Banner, Spic 'N Span Pine—Dick Byrne, Bruce Kelley, acct group heads.

Quaker Oats Co.

Chicago

RANK 49

($ figures = 000,000)

Worldwide	1985	1984	% chg
Sales	3,520	3,344	5.3
Net income	157	139	13.0
U.S.			
Sales	2,586	2,402	7.7
Advertising	161	149	8.2
Division sales			
Grocery	1,923	1,720	11.8
Int'l grocery	835	841	-0.8
Fisher-Price	422	383	10.2
Specialty	172	130	32.6

Quaker Oats Co., Chicago, boosted it advertising budget 8.2% to an estimated $161.3 million in 1984 to become the nation's 49th largest advertiser. The company already has announced it will increase that figure by another 24% in 1985 to about $200 million and bring its total advertising, merchandising and selling budget to $600 million.

The company's increased commitment to advertising comes on a sales rebound the past two years. In fiscal 1985, ended June 30, for example, sales at Quaker rose to $3.52 billion, up 5.3% from fiscal 1984, itself a 28% improvement over the prior year. Net earnings, meanwhile, have shown similar movement, rising in fiscal 1985 to $156.6 million, up 13% over net earnings in 1984, up 144% over the prior year.

Quaker is structured in four major segments: U.S. grocery, which produces about half of Quaker's total sales and almost two-thirds of its operating income; international grocery products, about one-third of sales and a fifth of operating income; Fisher-Price toy division, good for about 12% of sales and 10% of operating income, and specialty retailing group, about 5% each of sales and operating income.

Having shed unproductive businesses during the past decade, Quaker has begun some internal belt-tightening. Chairman William Smithburg reorganized Quaker's $2 billion U.S. and Canadian grocery products division, possibly to begin grooming a successor to president Frank Morgan, due to retire in a few years.

The division that was chopped up accounts for two-thirds of Quaker's sales and has expanded its product mix beyond the traditional breakfast and pet foods strengths to include beans, beverages, frozen foods and snacks.

Hedric Rhodes, formerly president at Quaker's food division, is now exec vp-U.S. foods, which includes cereals, corn products, frozen foods, mixes and syrups, snacks and grocery business development.

New exec vp of Quaker's diversified grocery products unit is Douglas Maxwell, former pet foods division president. The group includes foodservice, Gatorade thirst quencher, pet foods, Quaker-Canada, Van Camp products and Wolf brand chili.

The new exec vp-grocery products services is David Nogle, former vp-operations, food division. He is responsible for advertising, distribution, marketing research, r&d and sales as well as watching over Quaker's controller and personnel departments.

Quaker also began consolidating its international division to increase that unit's profitability. The company sliced capital expenditures by increasing brand sharing of production facilities and distribution networks while beefing up its marketing, promotion and ad outlays in that division.

The strong U.S dollar held back growth in international profits last year. Quaker's operating income in its international grocery products division fell for the second straight year to $41.5 million, down 11.5% from fiscal 1984, a year that dropped off 20.6% from fiscal 1983.

Most of Quaker's international revenues—representing almost 29% of total sales—come from highly competitive European markets. Pet food sales account for more than half of Quaker's international businesses and ready-to-eat cereals for much of the rest.

The continued strength of Quaker has made the company a likely takeover target. To reduce the risk of such an event, shareholders approved two measures in 1984 designed to discourage takeover attempts. One measure requires that certain tender offers gain 80% shareholder approval unless approved by a majority of directors.

In another, shareholders voted to authorize 100 million common shares, up from 35 million, to allow the company to take advantage of favorable market conditions. Quaker also bought back 2 million of the 40 million outstanding shares, hoping to cash in on its own 20.3% return on investment ratio.

The majority of Quaker's new product efforts during 1984 came from line extensions. To the $425 million granola bar catagory, Quaker added three new Granola Dipps flavors: Caramel nut, rocky road and mint chocolate chip. To its Chewy granola bar line, Quaker added banana chocolate chip and chocolate mint chip. The company introduced Quaker Peanut Butter Whipps granola bars covered with a whipped peanut butter coating.

Quaker added ButterLite syrup, a low-calorie, butter-flavored syrup backed by a $12 million ad push, and frozen pancakes, in plain, buttermilk and blueberry flavors to its Aunt Jemima line.

New Quaker Instant Oatmeal flavors—strawberries & cream and raisins, dates & walnuts—were added in September. To help boost sagging pet food sales, Ken-L Ration Smorgasburger semi-moist dog food was introduced in May, 1985, and Ken-L Ration Burgers, its semimoist, hamburger-shaped dog food, was reformulated then. Fisher-Price added more than 60 new toys, too.

In January, Quaker bought Arden Organics, an Asheville, N.C.-based rice cakes marketer. The move by Quaker seems to have been more of one upmanship than buying market share through acquisition in a growing market, because the move into this new but small market followed H.J. Heinz Co.'s purchase of Chico, Cal.-based Chico-San, another rice cakes marketer.

Quaker also purchased Liqui-Dri Foods, Louisville, a custom blending and packaging company, to strengthen its foodservice unit. The acquisition will help Quaker expand that business in the breakfast category, where it already sells items such as hot and ready-to-eat cereals, pancake mix, grits, English muffins, juices, jams and jellies.

Also in foodservice last year, Quaker began distributing its Chewy granola bars in smaller, single-serve sizes for schools and hospitals.

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ucts, a Chicago marketer of industrial products made from vegetable oils and detergents.

Last year, Quaker concentrated on growth from its top profit centers, grocery products and Fisher-Price toys.

The toy division's over-all sales reached $422.4 million in fiscal 1985, up 10.2% over 1984. Domestic sales accounted for an estimated 75% of sales. Domestic sales have grown at a compound rate of 8% a year for the past six years. Over-all operating profit improved 8% to $47.1 million. Quaker says increased sales in the division came particularly from the U.S. and Canada and credited advertising and merchandising spending levels, up 15% over the previous year, with stimulated product movement.

The division's volume increases have been driven by growth in its infant and preschool categories, its new space and alien themed building set line, Construx, and the expansion of its existing audiovisual line, according to R. Bruce Sampsell, Fisher-Price president.

Fisher-Price boosted its $18.5 million advertising budget to about $22 million for fiscal 1985. Included in that was a spring campaign, via Waring & LaRosa, New York, themed "Fisher-Price toys keep their promise." Network tv and print in women's magazines touted new products, including the Sesame Street Cookie Counter, a calculator-type toy to help preschoolers learn mathematics that is Fisher-Price's first venture into licensed characters.

To combat the strength of the U.S. dollar abroad, Fisher-Price increased operating efficiency and expanded its Peterlee, U.K., plant to provide almost 95% of its self-manufactured finished goods, rather than bring those products over from the states, Mr. Sampsell added. Fisher-Price will concentrate on the preschool category, more significant abroad than in the U.S., and become more aggressive in advertising and merchandising its products.

Production problems tripped up Fisher-Price's infant and toddler playwear line earlier this year. The company had to cancel its spring line but will be back on the market for fall.

Quaker's specialty retailing unit is made up of Brookstone, a supplier of hobby tools, Jos. A. Bank Clothiers and Eyelab, a New Jersey-based eyewear chain. Eyelab opened seven new stores in second-quarter 1985, bringing its total to 19.

This July, Quaker sold Herrschners, the nation's largest mail-order crafts company, for $19.3 million to H I Acquisitions Corp.

Quaker concentrated on four food categories in 1984: Convenient breakfast foods, grain-based snacks, Gatorade thirst quencher and convenient dinner foods. These were grouped in its U.S. grocery products segment, which in fiscal 1985 had operating income of $238.4 million, up 13%, on sales of $1.92 billion, up 12%. Sales of the segment represent 55% of total sales.

The company is predicting 10% growth in its convenient breakfast food division this year, after growing 8% last year. Quaker is doing particularly well in hot cereals, pancakes, syrup and frozen waffles. Its ready-to-eat cereal market share has slipped to 8% from 8.6% in 1983, mostly because of Kellogg Co.'s aggressive stance in gaining back its own lost market share.

Quaker again is rolling over competitors in the $425 million granola bar category, where it holds a 43% share versus General Mill's 35% share. Flavor extensions of existing product lines and the introduction of Peanut Butter Whipps helped solidify Quaker's standing in that market.

Gatorade Thirst Quencher sales should reach $170 million this year with a 23% increase in sales volume, despite pressure from Coca-Cola Co.'s Max Energy & Fluid Replacement Drink as well as several regional entries. Gatorade reportedly was backed by $15 million in advertising via AdCom last year. That budget should reach $18 million this year, analysts report.

Gatorade also spends about $3.5 million yearly on promotions, mostly surrounding sporting events such as the slam-dunk contest in conjunction with the National Basketball Assn.'s All-Star Game. Marketing expenditures for the product should reach $50 million in 1985.

Quaker's 1984 over-all measured media spending rose 26% to $107.7 million from calendar 1983. Unmeasured ad spending fell 18.9% to $53.5 million.

Major shifts in media spending came in spot radio, where spending leaped 147.6% to $5.5 million; network cable, where spending rose 92% to $1.3 million, and network tv, where spending increased 48% to $71 million. Outdoor advertising spending dropped 95.6% to $1.7 million, while magazine spending fell 20% to $9.1 million.

Agency shifts or additions last year included the addition of Norton Associates, Los Angeles, to handle foodservice products.

The company moved its $1.5 million Van Camp's pork & beans and specialty products account to Berry-Brown, Dallas, from Foote, Cone & Belding, Chicago. That was Foote, Cone's last Quaker account, having lost the Gatorade Thirst Quencher account to Quaker's in-house AdCom last year.

J. Walter Thompson USA, Chicago, which already handles ad work for Granola Dipps, was assigned the new Quaker Peanut Butter Whipps account.

Recently, Quaker shifted about $20 million in business, including the coveted $8 million Life Cereal account, to BBDO, Chicago, from that agency's New York office.

Other brands involved in the move were the $3 million Quaker 100% Natural cereal, $1 million Quaker puffed cereals, $8 million Ken-L Ration Love Me Tender Chunks dog food and $1.2 million Puss'n Boots cat food.

Also completed in late July this year was Quaker's sale of its in-house agency, AdCom, to Backer & Spielvogel, New York, for an undisclosed sum.

B&S is expected to pay between $5 million and $10 million for the agency, Quaker's largest with 30% of its business. AdCom (now B&S/Chicago) under new ownership has not lost any Quaker business. B&S also handles the $1 million Celeste frozen pizza account and several new product assignments.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,452	1,341
Magazines	9,140	11,433
Network cable	1,338	696
Spot tv	19,270	21,468
Network tv	70,993	47,980
Spot radio	5,480	2,213
Network radio	174	0
Outdoor	17	388
Total measured	107,864	85,520
Total unmeasured	53,436	63,618
Estimated total	161,300	149,138

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Katherine E. Smith, vp-consumer affairs

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Elaine D. Bolle, S.M. Posa, prod group mgrs

DIVERSIFIED GROCERY PRODUCTS
Grocery Specialties Division
Marketing Personnel

Philip A. Marineau, president
William D. Schmidt, dir-sports devel, sports promo
Serafino M. Posa, prod group mgr

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CMESat, Inc.
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Pet Foods Division
Marketing Personnel
George J. Yapp, president
Nancy S. Pitz, vp-prod mgmt
Peter J. Vitulli, dir-prod mgmt
Angie Jarrott-Smith, prod group mgr
Food Service Division
Marketing Personnel
Russell L. Jones, president
Paul V. Baron, dir-mktg
Robert D. Stoothoff, dir
Wolf Brand Products
Dallas, Tex.
Marketing Personnel
U.B. Shockley, president
Kenneth Barrons, mktg dir
THE QUAKER OATS CO. OF CANADA, Ltd.
Marketing Personnel
Jon K. Grant, president
David L. Morton, vp-mktg & sales
SPECIALTY RETAILING
Brookstone Co.
Peterborough, N.H.
Douglas D. Anderson, president
Jos. A. Bank clothiers
Leonard A. Ginsberg, president
Eyelab, Inc.
Robert S. Hillman, Lawrence E. Kohan, co-presidents
FISHER-PRICE TOYS
Marketing Personnel
R. Bruce Sampsell, president
James R. Tindall, vp-genl mgr, U.S.
Sandra R. Danon, vp-U.S. mktg
James Arnold-Baker, vp-mng dir, Europe
David B. Fisher, vp-diversified prod
Advertising Agencies

Becker & Spielvogel, Chicago—Cap'n Crunch, Mr. T, regular & instant oatmeal, Corn Bran cereal, Gatorade, Chewy Granola bars, new prod—Gary Bayer, president-creative dir; Joan G. Stark, vp-media dir; Dennis Roy, dir-acct mgmt.

Becker & Spielvogel, New York—Celeste pizza, new prod—G. Robert Holman, exec vp-coo.

Cunningham & Walsh/BBDM Advertising, Chicago—industrial cereals, Mother's Oats—Kathleen Trudy, acct super.

BBDO, Chicago—Ken-L Ration Love Me Tender Chunks, Life cereal, puffed cereals, 100% Natural cereal Puss'n Boots cat foods, new prod—Rick Swanson, vp-mgmt super.

Berry-Brown Advertising, Dallas—Wolf Brand prod, Quaker Corn Goods & Grits, Van Camp's pork & beans & specialty prod—Robert E. Berry, chmn.

Campbell-Mithun, Chicago—foodservice prod—Karen Smith, acct dir.

Conill & Associates, Los Angeles—Hispanic adv—Rafael Conill, president.

Norton Associates, Los Angeles—foodservice prod—Patricia Venuso, mgmt super.

J. Walter Thompson USA, Chicago—Granola Dipps, Peanut Butter Whipps granola bars, Aunt Jemima breakfast prod, mixes & syrup, Ken-L Ration dog food, new prod—Lloyd Stein, senior vp-mgmt super; Ben Gilmore, senior vp-mgmt super.

Waring & LaRosa, New York—Fisher-Price toys—Saul Waring, president.

Ralston Purina Co.

RANK 14

St. Louis

($ figures – 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	4,980	4,872	2.2
Net income	243	256	-5.2
Advertising	429	438	-2.2
Division sales			
Grocery prods.	1,887	1,862	1.3
Agricultural prods.	2,230	2,104	6.0
Restaurants	629	669	6.1
Diversified bus.	235.1	236.9	0.8

Ralston Purina Co., St. Louis, the 14th largest national advertiser, trimmed its 1983 ad budget by 2.2% to a 1984 spending level of an estimated $428.6 million.

Measured advertising in nine media for Ralston Purina, best known for its cereal and pet food products, experienced a similar pattern, dropping 1.1% to $157.9 million.

The difference between the measured and total advertising is the "unmeasured" spending figure that includes Ralston's promotional budget, mostly made up of couponing and case allowances to retailers (to put product on sale), which runs high in the cereal and pet food businesses.

For the fiscal year ended Sept. 30, 1984, Ralston's net sales rose only 2% to $4.98 billion. Net income dropped 5.2% to $242.7 million as strong gains by the pet food division were not enough to offset losses from cereals, cookies and crackers, according to the company. Additionally, tuna operations were hit by high operation costs at its San Diego cannery, which since has been closed. Over-all, the company felt the impact of lower margins for agriproducts caused by inflated worldwide commodity prices.

However, the company's Jack in the Box restaurants operating profits were above 1983 levels, and Ralston's protein technologies unit continued to be a strong performer.

For the first nine months of fiscal 1985, Ralston showed a 15.8% gain in sales compared with the same period in 1984, to $4.44 billion. Earnings for three quarters increased 7% from the previous year to $197.5 million.

Pet food sales are up again this year, bolstered by a flurry of new product introductions, while agriproducts, restaurants and protein technologies operating profits are off 1984 levels.

Advertising expenditures thus far in 1985 are at the $400.2 million level, 28.2% ahead of third quarter 1984, and running about 9% of total sales as compared with 8% in the previous year.

Fiscal 1985 results also reflect the $475 million acquisition from ITT of Continental Baking Co. in October, 1984. Quarterly comparisons for the three quarters in 1985 take into account a full three quarters' results from Continental Baking, best known for its Wonder and Home Pride breads and Hostess baked goods. The unit's fleet of direct-to-store delivery trucks may carry additional Ralston brands in the future.

Continental Baking has been testing two new snack foods, Peanut Putters and Chip Flips, but expansion plans have not been announced. Continental spent $20 million in measured media for the year. Total annual spending for Continental, which includes unmeasured media, has run about $25 million the past several years.

Ralston has been hot with new product introductions in its main businesses—cereal and pet foods. Last year, Ralston introduced Sun Maid hot cereal, Rainbow Brite, Gremlins, Cracker Jack and Donkey Kong Jr. cereals. In pet foods, Purina added Happy Cat and Special Dinners Gourmet Dinners for cats and Sea Dog, Waggles and T-Bonz for dogs.

Also introduced in 1984 were S'Mores Chewy granola bars and Chex snack mix, a boxed snack product using Ralston's recipe from its Chex brand cereals.

Thus far in 1985, Ralston has added Sun Flakes, a cereal sweetened with NutraSweet, Sun Flakes wheat & rice, Cabbage Patch Kids ($12 million in spending), Almond Delight ($20 million) and G.I. Joe Action Stars ($12 million) cereals. In cat food, Purina added Alley Cat, Tender Vittle Pick-a-Pouch, Happy Kitten and Catviar ($25 million). It expanded its dog line to include Lucky Dog, Puppy Chow Chewy Morsels ($35 million) and Field Master dog foods.

The company also has begun testing Goody Two Chews cat food in seven markets and Purina Kibbles and Chunks dog food.

A skinless, boneless canned salmon product under its Chicken of the Sea brand name also is in test.

The flurry of new products in test market gave a 7.6% boost to Ralston's magazine spending to $15.7 million, leaving spot and network tv spending relatively unchanged. The company bolstered its network cable tv budget 94%, spending $2.1 million on that medium in 1984.

Ralston's share in the $5.3 billion pet food market slipped to 27.1% from 28.3% in 1983. The company's share in the $3.3 billion dog food segment also fell, dropping to 23.7% from 24.1% the year earlier. Ralston also lost ground in the $1.2 billion cat food segment to a 33.1% share from 34.3% a year earlier, according to data from Furman, Selz Mager Dietz & Birney, New York. Much of Ralston's sales are lost to tracking services through sales from livestock dealers and feed stores, a segment Ralston dominates.

Ad spending on cat foods fell 6.8% to $53.2 million in 1983, while spending on dog foods dropped 3.1% to $55.4 million, although that decline is being reversed—Ralston hit the market earlier this year with a $35 million introduction of Puppy Chow Chewy Morsels, a softer version of its market leading Puppy Chow.

While new cereal introductions—such as last year's Cracker Jack and Gremlins and the recent flood of licensed cereal products—have helped boost Ralston's cereal sales, Ralston's private label business was down 7% in 1984, according to John C. Maxwell, a Furman Selz Mager Dietz & Birney analyst.

Ralston's market share remained relatively stable at 6.7% of the market, making it the fifth largest U.S. cereal maker behind Kellogg Co., General Mills, General Foods and Quaker Oats Co. Measured ad spending dropped 17.2% to $19.2 million from $23.2 million in 1983.

Ralston's S'mores Chewy granola bars, introduced in July, 1984, have garnered a 5% share in the $425 million granola bar market. The product pits the company against Quaker Oats and General Mills, rivals familiar from the cereal market. S'mores is backed by a $20 million to $24 million multimedia campaign via MCA Advertising, New York.

The company took a big step toward becoming *the* canned seafood company by introducing into five test markets a skinless, boneless canned pink salmon under its Chicken of the Sea brand name. Sources also say the company may add canned shrimp and canned crab to the line, but Ralston declined comment.

Themed "No waste. All salmon," the $7 million campaign focuses on Ralston's new packaging method that makes the product more closely resemble canned tuna. TBWA, St. Louis, handles paid media; Kosmas Advertising, Minneapolis, handles point-of-purchase.

Measured spending on Chicken of the Sea tuna fell 62.7% to $254,100, but the product held its 20% share of the $1 billion chunk-light-tuna market.

Agriproducts sales rose 6% to $2.2 billion on higher prices due to higher raw materials costs. Operating profit fell 12% to $92.5 million though, mostly due to lower over-all volume in the formula feed business.

Higher sales and operating profits in the protein technologies division continued to be a big contributor to Ralston's total sales and net profits. Soy protein product sales were the biggest contributor to that unit's 7% gain in operating profits. Ralston then sold its soybean processing operations to Cargill Inc., Minneapolis, on Jan. 2, but continues to market protein products.

Average unit sales for a Jack-in-the-Box fast food outlet was $753,000, up 7.6% from 1983. Average sales should hit $1 million per unit during 1985, Ralston says. Over-all, sales generated by the company's restaurant division fell 6% to $628.3 million while operating profits rose 5% to $61.4 million.

Jack in the Box added eight new units for a total of 788. In October, the chain sold six Brazilian units, its only outlets outside the U.S.

An attempted $500 million leveraged buyout of Jack in the Box backed by Forstmann Little & Co., New York, failed when lower Jack in the Box earnings in the second-quarter of 1985 made it less attractive.

Last November, Ralston announced it would begin changing the fast-food chain's name to Monterey Jack's. A 30-second tv spot explains that the former name is childish in light of menu improvements made since the late 1970s. Wells, Rich, Greene/West, Los Angeles, handles.

Jack in the Box put the $20 million account on review in July, 1985, which should be completed this fall, the company says.

The chain added several new products to its menu last year, including Ham & Swiss Burger Classic, Mushroom Burger Classic, Pita Pocket Supreme, Deli Crescent sandwich, Canadian Crescent breakfast and nachos.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,770	3,170
Magazines	15,691	14,579
Network cable	2,131	1,098
Spot tv	35,208	35,745
Network tv	91,837	94,439
Spot radio	9,617	8,830
Network radio	232	0
Outdoor	211	287
Farm pubs	1,282	1,654
Total measured	157,979	159,802
Total unmeasured	270,621	278,227
Estimated total	428,600	438,029

RALSTON PURINA CO.
835 S. 8th St.
St. Louis, Mo. 63164
(314) 982-1000
GROCERY PRODUCTS
Marketing Personnel
W.P. McGinnis, exec vp
W.M. Claggett, vp-dir, adv, mktg services
T.E. Toohill, vp-dir, mktg, cat food group
T.E. Block, vp-dir, mktg, dry dog food group
J.A. Nichols, vp-dir, mktg, branded cereal group
Advertising Agencies

Avrett, Free & Ginsberg, New York—Kitten Chow, Cat Chow, Sun-Maid instant hot cereal, new prod—Jack Avrett, president; Norman Sherman, senior vp, dir-client services.

Della Femina, Travisano & Partners, New York—Meow Mix cat food—Matthew Mansfield, vp-mgmt super; Ken Gilbert, acct super.

Gardner Advertising Co., St. Louis—Puppy Chow, Fit & Trim, Alley Cat—John Fox, senior vp-mgmt rep; Bill Lahrman, senior vp-mgmt rep. Chuck Wagon—John Fox, senior vp-acct dir. Rainbow Brite—Doug Hermann, senior vp. PayDay—Steve Eaker, senior vp. Bonz dog snacks—Jim Lucas, vp-acct dir. Sea Dog—Nancy Winchester, acct exec.

MCA Advertising, New York—Mainstay dog food, Purina Hi-Pro dog meal, S'mores chewy granola bars, new prod—Warren Dechter, exec vp.

Tatham-Laird & Kudner, Chicago—Happy Cat cat food, Top Secret cat litter deodorizer, Sunflakes, new prod—John Wells, senior partner, group acct dir.

TBWA Advertising, New York & St. Louis—Chicken of the Sea tuna, pink salmon, Waggles dog snacks, Cracker Jack cereal, new prod—Bill Oakley, genl mgr, St. Louis. Chicken of the Sea—Art Gramer, mgmt super; Becky Burnett, acct exec. Waggles—Mark Polan, mgmt super; Maria Beltramotti, acct dir. Cracker Jack—Mark Polan, mgmt super; Jim Callahan, acct exec.

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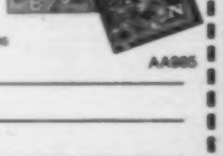

Which magazine ranked highest in advertising pages last month?

Turn to LNA for answers.
See page 101

Don Tennant Co., Chicago—Praise dog food, Thrive cat foods, Donkey Kong Junior, Cookie Crisp, Gremlins cereals, new prod—Uwe Wende, mgmt super; Guy Bentivenga, mgmt super.

Wells, Rich, Greene, New York—Purina Dog Chow, Butcher's Blend, Moist & Chunky dog foods, Tender Vittles cat food, Chex cereals, new prod—Jim Weinstein, senior vp-acct group head.

RESTAURANT DIVISION
FOODMAKER INC.
Marketing Personnel

B. Klein, corp vp-mktg, Jack-in-the-Box

Advertising Agency

WRG/West, Los Angeles—Monterey Jack—Larry Olshan, mgmt super.

PURINA MILLS INC.
Marketing Personnel
Chow

B.M. Lutz, vp-dir-mktg & rsch

Advertising Agencies

BFV&L Advertising, St. Louis—health industries—Tom Birkenmeier, mgmt rep.

Checkerboard Advertising Co. (in-house), St. Louis—special projects—G.C. Cook, dir, Checkerboard mktg.

Dorf & Stanton, New York—prod publicity projects—Alex Stanton, acct super.

Fletcher/Mayo, St. Joseph, Mo.—mineral business, animal nutrition—Ed Clement, acct super.

Valentine Radford, Kansas City—dealer adv—Alan McClure, acct super.

RALSTON PURINA
INTERNATIONAL
Marketing Personnel

P.H. Hatfield, president
C.E. Scott, president-ceo, Ralston Purina, Canada Inc.
R.A. Green, vp-dir, mktg, Ralston Purina International
D.A. Mefford, vp-mng dir, Agri-prod Europe/Asia Pacific, Andean, sales, mktg, mfg & engineering
R.N. Morrow, vp-mng dir, Mexican div
L.A. Van Houten, vp-mng dir, South & Central American div
R.M. Moeller, president, Ralston Purina International devel company, Hong Kong

DIVERSIFIED BUSINESSES
DIVISION
Marketing Personnel

P.H. Hatfield, president
A.C. Edwards, vp-mng dir, protein div
J.V. Heinz, dir-sales, processed meats
R.M. Moeller, vp-dir, mkt, protein div

Advertising Agency

Mandabach & Simms, Chicago—food service—Ron W. Plummer, vp-dir.

KEYSTONE

F.J. Corwell, vp-dir, business devel
J.D. Jones, president, Keystone Resort
T.R. Shipman, president-Keystone Resort's mgmt
W.D. Hanisch, vp-human resources & admin

Advertising Agencies

Checkerboard Advertising Co. (in-house agency), St. Louis—media for Keystone.

Heckler Associates, Seattle—Keystone—Terry Heckler, president.

CONTINENTAL BAKING CO.
Marketing Personnel

J.W. Brown, chmn-ceo
S. Herrick, corp vp-prod mgmt
R.R. Norris, vp-cake mkt

Advertising Agencies

Ted Bates, New York—Hostess Snacks, Wonder Bread, Home Pride bread—Lawrence Epting, acct group dir.

Grey Advertising, New York—Beef Steak Rye bread, Town Talk bread—Robert Schoenfein, exec vp-mgmt rep.

RCA Corp.

New York

RANK 33

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Sales	10,112	8,977	12.6
Net income	341	227	50.2
U.S.			
Sales	9,164	8,082	13.4
Operating profits	308	196	57.2
Advertising	239	210	14.0
Division sales			
Electronics	4,942	4,241	16.5
Entertainment	2,993	2,694	11.1
Communications	417	377	10.7
Transportation	1,440	1,372	5.0
Other	319	294	8.7

RCA Corp., the 33rd largest national advertiser, has seen its financial fortunes brighten in the past year as its NBC TV Network rose dramatically to second in the prime-time ratings in 1984, and as it divested poorly performing Hertz Corp. to concentrate on its core businesses—entertainment, communications and electronics.

RCA in the process increased total U.S. advertising spending an estimated 14% to $239.4 million in 1984.

Of that, the company spent a reported $128.5 million in measured advertising in nine media tracked in this report and $110.9 million in unmeasured advertising consisting of direct mail, point of purchase, promotion and co-op advertising.

RCA reported its worldwide advertising costs as $329.5 million, a figure that also includes in-house ad department expenses including salaries, supplies and equipment and cost of space.

The company, ranked fourth in terms of revenue among the nation's media companies, continued its pattern of spending the bulk of its measured advertising dollars in magazines. The advertising media getting the largest percentage increase was cable television, which rose 68%.

Its magazine advertising budget climbed 34.8%, to $47.6 million; newspaper advertising was up 17%, to almost $37 million; cable tv rose 67.8%, to $1.03 million; spot tv increased by 23%, to $12.8 million; network tv climbed 14%, to $24.2 million; spot radio was up 35%, to $4.7 million, and outdoor advertising rose 35%, to $523,000. The big loser was network radio, which dropped 73% from $2.6 million to $712,000.

RCA's product advertising, according to Leading National Advertisers, was paced by color televisions. The company spent $7.08 million on the product in 1983, and more than doubled that to $16.1 million in 1984.

Other major spending categories included advertising for the NBC television network, which rose 23% to $23.4 million in 1984; and Hertz, up 0.8% to $12.3 million.

The company put $521,200 into advertising its new Dimensia audio-video system late in 1984. Dimensia is considered RCA's predecessor to a new generation of integrated audi-video products. The system includes a color tv set, videocassette recorder, hi-fidelity speakers and more that can be operated through a single remote control.

Dimensia, according to George J. Podrasky Jr., an analyst who follows RCA for Duff & Phelps, is expected to play a larger role in RCA's electronic segment this year. In fact, it could be RCA's answer to setting it apart from the influx of imports that have forced RCA to drop its prices resulting in high unit sales but low profits. RCA in fact has become the No. 1 U.S. maker of color tv sets in addition to being the leading importer of video recorders from Japan.

RCA this fall also plans to introduce larger, flatter square-screen color tvs, along with its new camcorder vcr, which is a portable videotape camera and recorder combination. The user still will need a separate vcr to play the tapes.

After 2½ years of dormancy, the company resurrected its corporate image advertising program, after switching the account to Needham, Harper Worldwide, New York, from Ted Bates Advertising, New York.

Joel S. Wolk, director-advertising liaison and media services, says part of the decision to renew the corporate image advertising, which focuses on the accomplishments of the company, was the fact that RCA had returned to profitabilty.

During the year, RCA set records for both sales and net income, as sales jumped just under 12.6% to $10.11 billion; and net income rose a dramatic 50% to $341 million, compared with restated 1983 net income of $227 million.

Earnings in 1983 were lowered from $240.8 million because of a change in accounting requirements for the multinational company. The U.S. contribution was $9.2 billion, or 94% of total sales.

For the first half of 1985, sales are running slightly ahead, up 2.1% to $4.9 billion, and income is $180.8 million,

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up 12.6%, compared with the first half of the 1984. Income in the 1984 period, however, was affected by a $97.7 million loss in the first quarter.

Major developments at RCA in 1985 have included the elevation of its president, Robert R. Frederick, to ceo, assuming that title from chairman Thornton F. Bradshaw.

In June, 1985, RCA agreed to sell Hertz Corp. to UAL Inc., the parent of United Airlines.

RCA had been trying to sell the Hertz Corp. for about three years as it moved to concentrate on its core businesses.

The company reported that Hertz, which has a 33% market share, had generated record revenues in 1984 of $1.4 billion, but because of heavy competition in the business and less traffic than expected as it geared up for the Summer Olympics, its pretax profits were only $50 million, compared with a restated $68.2 million in 1983.

In July, the company affirmed that it had been conducting merger talks with MCA Inc., the parent company of Universal Pictures, but no agreements have been reached. MCA has been considered an attractive takeover candidate.

RCA's 1984 performance was led by the entertainment component, particularly NBC, its broadcasting arm. RCA's entertainment segment—broadcasting, records and tapes—had sales of $2.99 billion and pretax income of about $250 million for 1984, compared with $2.7 billion and $186 million, respectively, the previous year.

NBC alone accounted for one quarter of the RCA's annual revenues. The tv and radio network together accounted for $2.37 billion in sales, up 13.4%, and pretax earnings of $218.1 million, up 40% from 1983.

A major reason for its performance was its surge in ratings tracked by A.C. Nielsen Co., which showed NBC advancing from third to second in the 1984-85 prime time season behind only CBS. NBC held a 16.2 share compared with a 16.9 share for CBS and 15.4 for ABC.

However, the network is still third in daytime television.

NBC touts its demographic reach more than the sheer numbers, because it led during the ratings period among adults aged 18 to 49, the greatest appeal to advertisers, and among those aged 25 to 54—the segment CBS has long touted as the most attractive.

RCA Records got a new marketing manager and a new approach to record selling last year when Michael Omansky came over from Nabisco Brands Inc.

He brought many of the same techniques used at Nabisco to the record industry—money-back coupons, sampling and joint promotions with other consumer-oriented companies. Promotional linkups with Pepsi-Cola Co.'s Mountain Dew, whose bottle caps could be redeemed for record discounts, boosted album sales by 30%, he contends.

Such techniques should stimulate sales in the nation's record industry where shipments rose 15% in 1984 to $4.37 billion. According to LNA figures on product spending in six measured media, RCA supported records and tapes with some $1.6 million in measured advertising, down 15.8% from 1983.

In the electronics segment, which includes consumer products and services, commercial products and services and government systems and services, sales totaled $4.9 billion and pretax income, $199 million, compared with $4.2 billion in sales and $163.6 million in pretax income for 1983.

This division is in charge of the new Dimensia audio-video system, which will get a satellite receiver and signal decoder attachment sometime this year.

Although a satellite dish still will be needed with satellite receiver and decoder, the company's new K-band high-powered satellites will require a much smaller dish for reception. RCA is to launch the satellites this fall.

The decoder will be available through cable companies initially, says Mr. McCann, but later will be built into the Dimensia system, although it will have to be activated by the cable company's computer. The company also is introducing an optional 40-inch projection television for Dimensia.

The communications segment, consisting of satellite communications services and products, generated $417.2 million in sales, $107 million in pretax income compared with 1983 figures of $377 million and $95.2 million, respectively.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	36,963	31,716
Magazines	47,564	35,302
Network cable	1,029	613
Spot tv	12,816	10,431
Network tv	24,167	21,273
Spot radio	4,733	3,512
Network radio	712	3,304
Outdoor	523	386
Total measured	128,507	106,537
Total unmeasured	110,893	103,376
Estimated total	239,400	209,913

RCA CORP.

30 Rockefeller Plaza
New York, N.Y. 10020
(212) 621-6000

Corporate Marketing Staff

Thomas B. Ross, senior vp-corp affairs
Samuel Convissor, staff vp-corp relations
Joel Wolk, dir-adv, govt liaison & media services

Advertising Agencies

Needham, Harper Worldwide, New York—RCA corp adv—Dick Murray, mgmt super; James Schanek, acct super.

Uniworld Group, New York—RCA community affairs—Herb Kemp, president; Wayne Shealy, acct exec.

Consumer Electronics
Indianapolis, Ind.

Marketing Personnel

Stephen S. Stepnes, division vp-mktg
William. S. Beres, vp-adv & sales promo
David Croner, vp-mktg operations

Advertising Agency

Leo Burnett USA, Chicago—Dennis Dunlap, vp-mgmt dir; Jackson Brown, vp-acct dir, color tv & vcr; John Kerastas, acct exec, tv; Jim McNitt, acct exec, vcr.

RCA LTD. (CANADA)

Marketing Personnel

Laurence Small, retail & Canadian adv mgr

RCA SERVICE CO.

Cherry Hill, N.J.

Marketing Personnel

E.A. Malm, div vp-telephone systems & data services
L.D. Chitwood, div vp-commercial prod mktg
R. Zieselman, mktg services mgr

Advertising Agencies

Richard Bandler Co., New York—William Young, vp.

Al Paul Lefton Co., New York and Philadelphia—J.W. North, mgmt super; Herb Rose, acct super; Robert Ellis, acct exec.

Distributor & Special Products Division
Deptford, N.J.

Marketing Personnel

D. Weisenstein, div vp-merch
A.D. Ricketti, mgr-adv & sales promo

Advertising Agency

Al Paul Lefton Co., Philadelphia—Ken Haverstick, acct exec.

Solid State Division
Somerville, N.J.

Marketing Personnel

Lon Cantor, dir-communications & adv
D.W. Ludlum, mgr-adv & sales promo, solid state

Advertising Agency

Cappiello & Chabrowe, New York—Terry Chabrowe, acct super.

RCA RECORDS

New York, N.Y.

Marketing Personnel

John Ford, division vp-RCA Records, U.S. & Canada
Jack Chudnoff, div vp-creative services
Lawrence Gallagher, vp-sales
Michael Omansky, vp-mktg
Barbara Sisilli, dir-adv media
Devarajan S. Puthukarai, div vp-dir mktg

Advertising Agency

Grey Advertising, New York—Len Fogge, acct exec.

HERTZ CORP.

New York, N.Y.

Marketing Personnel

Brian Kennedy, vp-mktg

Advertising Agency

Scali, McCabe, Sloves, New York—car div—Murray Gaylord, mgmt super; Steve Friedman, acct super.

NATIONAL BROADCASTING CO./-NBC ENTERTAINMENT

New York, N.Y.

Marketing Personnel

Steve Sohmer, senior vp, NBC Entertainment
Robert Niles, vp-mktg
John Miller, vp-adv & promo, West Coast
Frank Pintauro, vp-corp adv & promo
Jay Michelis, vp-talent relations & creative services
John Luma, vp-on-air promo
Jenness Brewer, vp-print adv
Chuck Stepner, vp-special promo projects, West Coast
Martha Stanville, vp-affiliate/promo services
Joseph Gerardi Jr., dir-corp adv operations
Don Eddy, dir-mktg services
Hal Alterman, dir-mktg projects
Charles V. Blake, dir-corp logo implementations
Arthur Hecht, creative dir-corp adv & promo
Robert Blackmore, senior vp-sales, NBC-TV Network
Larry Hoffner, vp-natl sales, NBC-TV Network

Advertising Agency

Diener/Hauser/Bates, Los Angeles—NBC-TV Network adv—Barry Orell, acct exec.

BROADCAST SYSTEMS DIVISIONS

Camden, N.J.

Marketing Personnel

W.A. Taylor, div vp-mktg
Miles Moon, creative services mgr

Advertising Agency

RCA Creative Services (in-house)—Miles Moon, dept mgr; A.M. Hilliard, adv & sales promo dept mgr.

RCA GLOBAL COMMUNICATIONS

New York, N.Y.

Marketing Personnel

Ken Gross, vp-mktg & sales
Dan Dwyer, senior ad rep
Jon Plet, senior adv admin

Advertising Agency

Ronald B. Mitchell Advertising, Bethesda, Md.—Ron Mitchell, president.

RCA AMERICAN COMMUNICATIONS

Princeton, N.J.

Marketing Personnel

John Williamson, dir-public affairs

Advertising Agencies

Ally & Gargano, New York—John Wood, vp-mgmt super.

Hammond & Farrell, New York—Jeff Kaumeyer, vp.

GOVERNMENT SYSTEMS DIVISION

Moorestown, N.J.

Marketing Personnel

F.H. Stelter, div vp-mktg
J.G. Mullen, mgr, mktg rel & adv
N.F. Pensiero, dir-public affairs

Advertising Agency

Al Paul Lefton Co., Philadelphia—Richard Rossi, acct exec.

Revlon Inc.

New York

RANK 36

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Sales	2,399	2,379	0.9
Net income	112	111	0.8
U.S.			
Sales	1,729	1,661	4.1
Operating profits	221	224	-1.4
Advertising	205	179	14.5

Revlon Inc., New York, currently fending off a takeover attempt, was the 36th largest national advertiser in 1984, increasing its U.S. advertising spending to an estimated $205 million, up 14.5% from a restated $179 million in 1983.

Worldwide, Revlon's advertising costs were $273.3 million, up 14.2% from the previous year. Revlon derives about 70% of its sales from the U.S., Canada and Puerto Rico.

Sales in 1984 increased slightly to $2.40 billion, up 0.9% from 1983, while earnings rose 0.8% to $112.1 million. Operating profits dropped by $3 million to $298.3 million.

Despite several years of lackluster performance in the financial column—Revlon's earnings peak was in 1980 when it reached $192 million—Revlon is considered a strong company in the market, particularly because of its acquisitions in the healthcare area the past decade.

It is the perceived market value of such healthcare divisions as Norcliff Thayer and National Health Laboratories that helped promote a takeover attempt in August, 1985, by Pantry Pride Inc. The properties could be sold by a new owner at top dollar to repay debt incurred in a takeover. Takeover rumors had circulated before any move by Pantry Pride, however, when chairman Michel Bergerac and several of his key executives in 1983 got so-called golden parachute contract clauses that would provide them with a generous severance and compensation package should the company be merged or acquired.

The takeover battle between Revlon and Pantry Pride continues at a heady pace with offers and counteroffers by Pantry Pride and defensive actions from Revlon, including adoption of a "bitter pill" that calls for a new dividend distribution and stock buyback scheme.

Revlon, segmented into beauty products and healthcare, generated approximately two-thirds of its operating profit in 1984 and more than half its sales from its healthcare segment. Its healthcare segment, marketing such items as soft contact lenses, lens solutions, NoSalt salt substitute, Oxy acne remedy and Tums antacid tablets, generated $1.3 billion in sales (54% of the total) and $198 million of operating profit (66% of the total).

Beauty products accounted for 46% of total sales and 33% of operating income in 1984. The cosmetics division for the U.S., Canada and Puerto Rico accounted for 32% of total operating income, while international cosmetics contributed 1%. U.S. ethicals accounted for 12% of operating income; international ethicals, 16%; diagnostics, 15%; optical, 13%, and other 11%.

Revlon, which recorded national measured media spending of $85.4 million in nine media, up 4% from 1983, concentrated $30.6 million on cosmetics (makeup, eye makeup, lipstick, nail polish). The greatest share went to the Revlon brand lines for makeup, mascara and nail polish, with $4.4 million credited to Ultima II cosmetic products line, up 4.5% from 1983, and $2.6 million on the Natural Wonder line, up 40.5%.

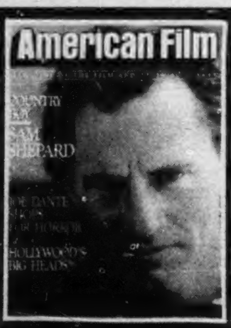
The media mix for advertising in 1984 was tilted strongly toward national tv, which took 48% of the measured spending. Magazines followed with a 25% share. Cable and spot tv saw increases.

Revlon also gained market share for the first time in several years in the $800 million U.S. cosmetics market in which sales rose by 9% in 1984, according to market analyst Diana Temple of Salomon Brothers.

The company's first-quarter 1985 U.S. cosmetic's sales rose by more than 10%, Ms. Temple says, noting the figure excluded Hair's Daily Requirements shampoo. In the same period, Revlon's facial makeup rose to 6.4% of the supermarket dollar share, third in volume after Maybelline. Revlon is also No. 3 in eye makeup. It holds a 5% market share for mascara, 5.5% for eyeliner and 4.8% for eye shadow.

Revlon Natural Wonder lipstick is fourth (trailing No. 1 Noxell's Cover Girl) with 10.2% of the supermarket dollar share. Revlon nail polish is also fourth with 7.9% of dollar share.

In the highly competitive market for facial creams and lotions worth $450 million, Revlon's sales advanced a dramatic 34%, increasing share to 2% in the first quarter of 1985, Ms. Temple says. Revlon's Moon Drops will be repackaged, reformulated and repositioned, as well as supported by advertising for the first time in five years. In



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AFFLUENT-average income $57,000
YOUNG-EDUCATED Average age 34
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the same market Revlon has made steady progress with its European Collagen Complex.

Revlon's Oxy-5 overtook Richardson-Vick's Clearasil for the first time with an energetic 21% sales growth, gaining 1.5 percentage points to attain a 21.3% share of the market for the top spot.

Its hand lotions, however, are at the bottom of the market, declining a tenth of a percentage point to a 0.5% dollar share.

There has been less activity in the shampoo market in 1985 than in 1984 when five major shampoos—each backed by about $25 million in advertising and promotion—were launched. Because the new shampoos have achieved only minimal share of market, the companies have cut back expenditures to focus on other brands. Revlon, one of these companies, is expected to cut spending on Hair's Daily Requirements. The product was targeted for a 6% market share in its first year, but ended up with only 0.7% in 1984, according to Ms. Temple of Salomon Brothers.

The market leader among Revlon shampoos is Flex, with a 6% share, third in the market behind leader Helene Curtis.

Among hair conditioners, Flex hair conditioner holds an 11.5% market share, second only to Helene Curtis. Two lines of Revlon hair coloring hold a small 3.3% share after the leaders, Clairol and L'Oreal.

Flex hair spray dropped near the bottom of the list, with a 1.9% supermarket dollar share.

The positive surprise of 1984 was the mousse market. Sales of these aerosol styling foams, meshing with greater consumer interest in products for shorter hair, reached $150 million in 1984, according to Ms. Temple. Revlon planned a major mousse launch in the second quarter of 1985.

In over-all sales in the $7 billion U.S. cosmetics and fragrance industry, Revlon's U.S. sales of $798 million in 1984 placed the company second to Avon Products, which had sales of about $950 million. However, Cosmair and Estee Lauder, both of which have experienced faster growth rates, are closing in on Revlon, whose sales in the industry in 1984 were up only about 1%.

In the fragrance segment, Revlon's Jontue gained 0.8 percentage points in market share, to 6.6%, aided by the Fleurs de Jontue line extension, introduced in 1984. Perfume advertising rose to $12.4 million, or 14.7% of the 1984 measured advertising budget, up 6% from the previous year.

Among the new products introduced in 1984 were Naturally Glamorous Blush-On, a long-wearing powder formulation; Natural Wonder Super Nails with a new formulation in 24 cream and 16 frost fashion shades; Ultima II Advanced Formula mascara, developed with Barnes-Hind as the first irritant-free mascara designed for contact-lens wearers, and Advanced Formula compact liquid makeup with sunscreen protection.

In advertising, the company more closely coordinated advertising and in-store displays so each multiplied the impact of the other to increase consumer awareness.

Healthcare operating profits rose by 6% in 1984 to nearly $200 million on $1.3 billion in sales, despite profit declines for Technicon (blood analyzers) and Hydrocurve (extended-wear soft lenses).

Measured media advertising for contact lenses also declined in 1984 to $4.4 million, down from $7.1 million.

Healthcare operating profits also benefited from new products—including the U.S. launch of Calcimar for the treatment of osteoporosis, a new premium-priced bifocal contact lens and the 1984 launch of the YAG laser (for secondary cataracts).

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	653	711
Magazines	21,188	16,402
Network cable	517	153
Spot tv	18,687	15,602
Network tv	41,128	47,101
Spot radio	1,427	851
Network radio	1,716	1,414
Outdoor	117	0
Total measured	85,433	82,233
Total unmeasured	119,567	96,267
Estimated total	205,000	179,000

REVLON INC.
767 5th Ave.
New York, N.Y. 10022
(212) 572-5000
Marketing Personnel
Sanford Buchsbaum, exec vp-adv
John Maisano, exec vp-mkt planning & devel
George W. Feld, vp-adv services
Kenneth Angel, adv dir
Stephen Gebb, vp-adv dir
Anthony Cozzolino, media, budget dir
Benjamin Sottile, president, Group I
Harvey Schwartz, president, Group II
Lawrence Wechsler, president, Group III
Advertising Agencies

50th Floor Workshop, Revlon's in-house agency—Revlon lipstick, nail enamel & face makeup, Chaz, Ultima II, Ciara, Norell, Princess Marcella Borghese, Bill Blass—Martin Stevens, senior vp-creative services; George W. Feld, vp-adv services; Rita Grisman, vp-creative dir.

Grey Advertising, New York—all Classic Revlon eye makeup, Natural Wonder prod, Flex, Jontue, Scoundrel, Eterna 27, European Collagen Complex and intl adv—Robert Zimmern, exec vp.

Scali, McCabe, Sloves, New York—Charlie, Mitchum—Lucy Rogenstein, acct super.

PROFESSIONAL PRODUCTS GROUP
Jacksonville, Fla.
Marketing Personnel
Irving J. Bottner, president
Robert Crane, senior vp-mktg
Mitchell Levy, vp-creative services
Advertising Agency

Merchandising Workshop, New York—Joanie Curcio, senior vp.

USV LABORATORIES DOMESTIC
Tuckahoe, N.Y.
Tarrytown, N.Y.
Marketing Personnel
James O'Brien, president
Robert Beckman, vp-mktg services
Advertising Agencies

Thomas G. Ferguson Associates, Parsippany, N.J.—Calcimar, Nicobid, DDAVP—Jean Pankow, senior vp-mgmt super.

Klemtner Advertising, New York—Hygroton, Regroton, Lozol, MVI—Jay Conlan, exec mgmt dir.

NORCLIFF-THAYER
Tuckahoe, N.Y.
Marketing Personnel
Charles A. Pergola, president
Theodore N. Williams, senior vp
Lawrence D. White, vp-mktg
Frank J. Coppola, vp-sales
Advertising Agencies

Cadwell Davis & Partners, New York—NoSalt—Bob Michaels, vp-acct super.

Carrafiello, Diehl & Associates, Irvington, N.Y.—A-200 Pyrinate, Liquiprin—John Muhlfeld, vp.

Jordan, Case & McGrath, New York—Tums—Claudia Horty, senior vp.

Marschalk Co., New York—Esoterica, Nature's Remedy—Peter Detels, senior vp.

Specht, Gilbert & Partners, New York—Oxy line—Don Gilbert, president; Robert Patton, partner.

TECHNICON CORP.
Tarrytown, N.Y.
Marketing Personnel
Dr. Henry Simon, president
Frederick Stubbins, dir-mktg communications
Advertising Agency

All advertising done in-house.

ARMOUR PHARMACEUTICAL
Tarrytown, N.Y.
Marketing Personnel
Jim O'Brien, president
Robert Beckman, vp-mktg & sales
Advertising Agency

Botto, Rossner, Horne & Messinger, New York—Thomas Vargas, vp-acct super.

BARNES-HIND/HYDROCURVE
Sunnyvale, Cal.
Marketing Personnel
Kevin J. Ryan, president
Richard Wright, exec vp
George McCrary, vp-mktg
Robert Pace, vp-sales
Advertising Agencies

Grey Advertising, New York—extended wear contact lenses & contact lens solution prod—Mike Ouimette, William Deval, vp-acct supers.

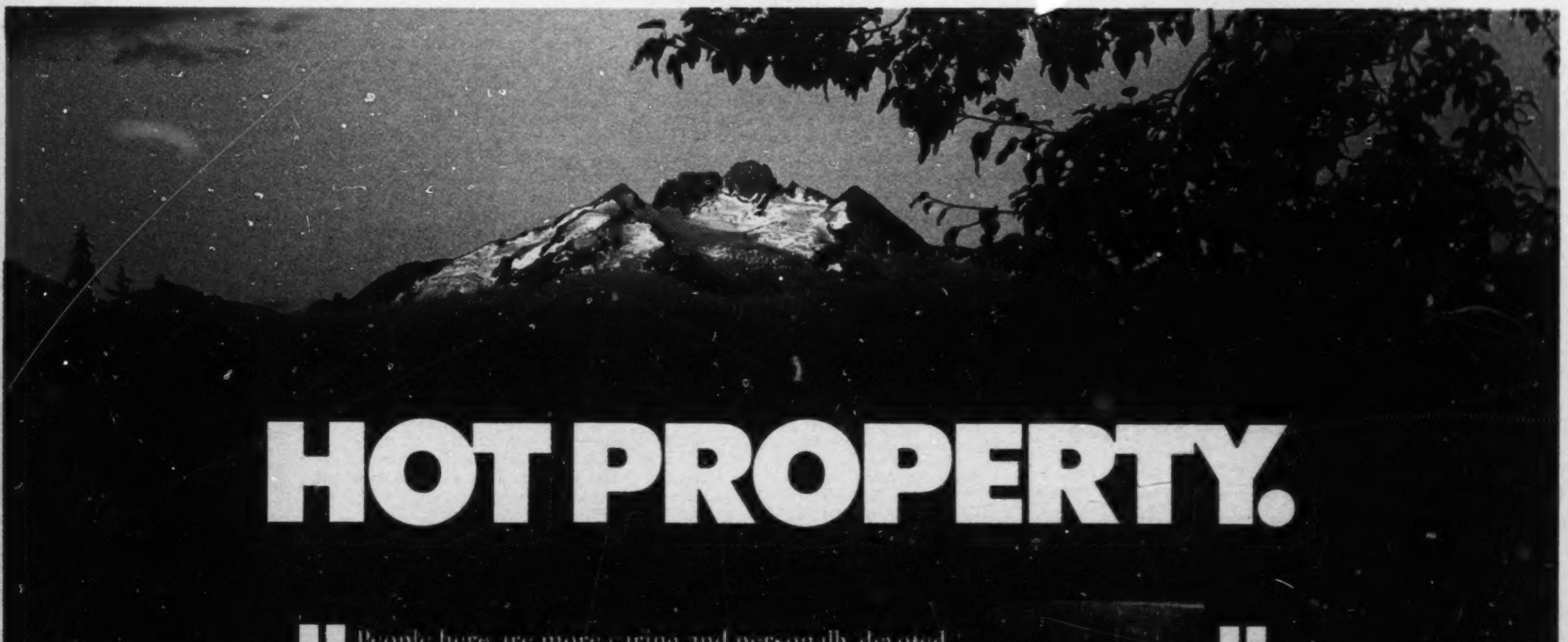
Zechman & Associates, Chicago—specialist prod—Bud Davis, vp-acct services.

NATIONAL HEALTH LABORATORIES
San Diego, Cal.
Marketing Personnel
Robert E. Draper, president
Advertising Agency

All advertising is done in-house

MELOY LABORATORIES
Springfield, Va.
Marketing Personnel
William Terry, president

When you're hot you're hot!
UP 28% in Domestic Car ad pages, first half '85 over first half '84. Join the trend!
PIB/LNA
U.S.News


HOT PROPERTY.
"People here are more caring and personally devoted. B.C.'s Film Production Office did everything they could to help us. They were wonderful."
Paul Almond, "Ups and Downs"
"Film people in B.C. are terrific and hard working. They really gritted it out."
Carroll Ballard, "Never Cry Wolf"
"The budget would have allowed us 15 shooting days in Hollywood, compared to 30 up here."
Stuart Margolin, "Glitterdome"
SUPER, NATURAL BRITISH COLUMBIA, CANADA.

R.J. Reynolds Industries

RANK 5

Winston-Salem, N.C.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	12,974	12,312	5.4
Net income	843	702	20.1
U.S.			
Sales	10,216	9,584	6.6
Operating profits	1,464	1,297	12.9
Advertising	678	594	14.2
Division sales			
Tobacco	7,685	7,388	4.0
Food/beverages	4,698	4,491	4.6
Other	738	580	27.2

R.J. Reynolds Industries, Winston-Salem, N.C., which climbed into 5th place among advertisers in 1984, could challenge perennial leader Procter & Gamble for the top spot next year because of its acquisition earlier this year of Nabisco Brands, ranked 21st in this report.

RJR had total advertising in 1984 of an estimated $678.2 million, up 14.2% from 1983. Of the total, $533.2 million was in measured spending.

Nabisco had estimated ad spending of $335 million for the year, giving the two a total of $1.01 billion in advertising.

Procter & Gamble in 1984 spent an estimated $872 million. P&G's measured total in 1984 of $740.4 million, however, still would outpace the combined RJR/Nabisco measured tally of $681.7 million in 1984.

The addition of Nabisco Brands to RJR's stable of companies is certain to assure the company of realizing its oft-stated goal of becoming the largest consumer products company in the world, with 1984 sales in excess of $19 billion.

RJR for the year had a sales gain of 5.4% to $12.97 billion and net earnings from continuing operations of $843 million, up 20.1%. Discounting gains from the sale of Sea-Land Corp. and Aminoil Inc., sold to maintain focus entirely on consumer products, earnings from continuing operations were $1.62 billion, up 15.9%.

The U.S. cigaret market was flat in 1984, although RJR did manage a modest volume gain of 1.2%. Over-all tobacco sales were $7.69 billion. Earnings of $1.29 billion, however, represented a 14% increase.

Industry analyst John C. Maxwell Jr., analyst at Furman, Selz, Mager, Dietz & Birney. New York, says the industry bright spot continues to be the economy brands, including RJR's Doral. Phased out of production in 1980. Doral resurfaced in May as a branded item at a generic price.

Mr. Maxwell says generics, private-label brands and the 25-unit, popularly priced brands now account for 6% of industry sales. This low-priced category is likely to continue to grow, but not at the stepped-up rate of the past two years.

RJR's share of the domestic market was up slightly to 31.6%, reflecting a stabilization of existing brands and the success of brands introduced in the past two years. In addition to Doral, Century and Sterling accounted for more than 5% of the company's total volume and a combined market share nearing 2%.

In August, 1985, a half-page color ad in *Parade* introduced the country to Century 25s, an RJR package of 25 cigarets priced similarly to packs of 20.

R.J. Reynolds seemed to get the jump on the competition in the upscale brand category with the introduction of low-tar Sterling, but now is in a fight as other cigaret marketers have followed suit.

In mid-1985, market leader Philip Morris began testing Dunhill, a low-tar entry, in both 85mm and 100mm styles, while Sterling was undergoing a packaging change to identify more clearly the menthol and regular styles. Also in the works is a national introduction of a soft-pack version.

Measured ad spending for all Century brands in 1984 totaled $13.6 million, much of that support coming in magazines. The Sterling introduction drew considerably more support—$41.2 million.

RJR's Winston, Salem, Camel and Vantage brands continue to rank among the best-selling brands in the country. Winston, second behind Philip Morris' Marlboro, increased its market share fractionally. Measured ad support dipped 6.8% to $34.4 million.

Salem was the company's next best-selling brand with a market share of 8.1%, unchanged from 1983. Measured advertising support for Salem also fell off in 1984 to $31.1 million, but the brand did claim substantial promotional support by sponsoring the Salem Spirit concert series. RJR officials declined to reveal the cost of the promotion.

Spending for Camels increased 49.6% to $37 million in 1984 even though the brand's market share was down slightly. Added support also went to Vantage, another low-tar entry, with a declining market share. Media spending for Vantage amounted to $43.6 million, up 38.4% from 1983.

For the year, total spending for all RJR cigaret brands was $267.5 million. None of that caused more controversy or attracted more attention than the series of ads created to focus attention on the issue of smoking and health.

Public smoking, fire safety and youth smoking are among the issues Reynolds has tackled in the campaign, which has been greeted with plaudits in some corners and drawn fire from antismoking forces. The cost in 1984 was pegged at $7.7 million.

Flat sales notwithstanding, the company is in the midst of a $2 billion manufacturing modernization program designed for cost efficiencies. At the end of 1984, 29% of the company's cigarets were being manufactured on new equipment. By 1993, when the modernization plan will be completed, the company expects a 60% improvement in productivity.

During the year, RJR International improved its market share in 16 of its top 20 foreign markets. Volume increased to 84.7 billion units, although the year was marked by unfavorable currency transactions.

Camel again was the company's fastest-growing international brand, gaining market share in nine of the top 10 markets. Volume increase was 13%, and up to 18% in the established markets of Western Europe.

Brazil, Turkey and Ecuador were among the foreign markets where Reynolds' brand were introduced during 1984, but the biggest splash was made in Japan.

That market, second-largest cigaret market in the world behind the U.S., is a $10 billion market and was witness to a $5 million campaign to introduce Camel Mild. The entry was fueled by about 1,000 tv spots in Tokyo alone and print ads and outdoor boards in the rest of the country.

Cigaret prices in Brazil are structured in tiers, and the battle for market share in 1984 was being waged at the low end. RJR's entry in the fray was Mustang, and it became the company's best-selling brand with a 5% market share. The company's total market share is 9%.

In an agreement with two Chinese partners in the province of Xiamen, RJR International became the first foreign tobacco company to gain access to the People's Republic of China. The company will begin production of a joint-venture brand by 1986.

While tobacco remains the principal business of RJR Industries, the food and beverage segment contributed $4.7 billion in sales, or 36% of total sales, and operating earnings of $391 million.

A major contributor to the segment, Heublein Inc., had a 2% increase in spirits sales and an earnings increase of 7% in 1984, according to the company. Its California and imported wine business grew about 1%.

Heublein's Smirnoff vodka, the company's flagship brand, and the top-selling domestic vodka, was given a $12 million advertising shot in the arm late in the year. For years the top-selling liquor brand in the country, Smirnoff vodka, has been overtaken in recent years by Bacardi rum. This and the impact of imported vodkas on the market prompted the renewed effort in 1984.

Also benefiting from a freshly mounted campaign in 1984 was Heublein's Inglenook wine. Spending totaled about $6 million in magazines and tv. Over-all, ad spending in the spirits category amounted to $32.9 million, with considerable advertising support going to Black Velvet Canadian whisky and to Jose Cuervo tequila.

Agency creative reassigments in the past year included Black Velvet and Irish Mist to McCann-Erickson in New York; Jose Cuervo, Lancers and Valbon to Young & Rubicam in New York; Club Cocktails and Arrow Cordials to Leber Katz, and Inglenook and Citronet to DYR, New York.

Heublein is the acknowledged leader in the pre-mix cocktail market with a 55% share, although the market has been stagnant.

Edwin Gualtieri, group marketing director for Heublein, thinks the market might be helped by more advertising, but those playing second fiddle in the category are not spending much in advertising. Aiming at the young and active drinker with its convenient Club Cocktail, Heublein is spending slightly more than $2 million in measured media. Additional spending is directed at the retail level for prominent displays.

Del Monte's products are marketed in more than 60 nations and include canned fruits and vegetables, prepared and frozen foods, beverage products and fresh fruit. The addition of Canada Dry and Sunkist soft drinks in 1984 to the $30 billion soft drink market gives Del Monte a foothold where its only previous presence had been Hawaiian Punch.

Both Canada Dry and Sunkist are leaders in their respective beverage categories. Sunkist holds more than a third of the $1.65 billion orange-flavored carbonated beverage category. Procter & Gamble's Orange Crush has a 15% share and Coca-Cola's Fanta 8%. The segment represents just 5.5% of the soft drink market.

Canada Dry ginger ale controls more than 40% of that soft drink segment and has a 30% share in mixers. It spent in excess of $12.3 million in support of its beverages in 1984.

Not lost in the acquisition of Canada Dry was its extensive worldwide franchise bottling operations, which hold enormous potential for added distribution of Sunkist and Del Monte's Hawaiian punch. There also is the opportunity to increase vending and other on-premises sales.

Del Monte's Hawaiian Punch, with a 17% market share behind Shasta's Capri Sun and Coca-Cola's Hi-C, was supported with $10.6 million of measured advertising during 1984. Other Del Monte products were supported by spending of $20.9 million, most of it going for canned fruits and vegetables.

The final consumer behemoth in the RJR family is Kentucky Fried Chicken, which in 1984 had worldwide sales of $2.8 billion. Total revenues rose 19% from 1983, almost twice the industry average. With 50% of the chicken segment, KFC is by far the largest fast-food chicken chain in the world.

KFC began its highly successful roll-out of Kentucky Nuggets during the year. Advertising support for the restaurant chain reached $63.3 million in 1984, almost all of it in tv.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	101,990	112,343
Magazines	193,816	155,063
Network cable	825	364
Spot tv	47,611	39,642
Network tv	97,600	69,907
Spot radio	4,379	3,851
Outdoor	86,955	88,920
Total measured	533,176	470,090
Total unmeasured	145,000	123,625
Estimated total	678,176	593,715

R.J. REYNOLDS INDUSTRIES
Winston-Salem, N.C. 27102
(919) 773-2000
R.J. Reynolds Tobacco Co.
Marketing Personnel

G.H. Long, president-ceo
M.L. Orlowsky, senior vp-mktg
H. J. Lees, vp-mktg, established brands
S.A. MacKinnon, vp-mktg, new brands
R.A. Kampe, vp-mkt planning
D.B. Fisel, vp-pr
Jerry McKenna, group dir-mktg
John Winebrenner, group dir-mktg
Richard Sanders, dir-mktg
John Herberger, dir-new brand mktg
David Iauco, dir-new brand mktg
George Baroody, group dir-mktg services
Dan Pearson, dir-media
Larry Hall, vp-mktg devel

Advertising Agencies

William Esty Co., New York—Salem, trade adv—Laurence M. Wassong, president-ceo; John E. Neal, Thomas Hamilton, senior vp-mgmt supers; Philip Shaner, Gerald McMahon, vp-acct supers; Dominick Pelliccio, Martin Seider, vp-creative dirs.

Leber Katz Partners, New York—Vantage, More, Now, Bright, public issues campaigns—Stanley H. Katz, chmn; Jerome Davidow, Robert T. Hirsch, exec vp-mgmt reps; Andrew C. Millar, Angelika Adler, Janice C. Lee, vp-mgmt supers; Alexander Mohtares, Jack Silverman, Charles Piccirillo, senior vp-exec creative dirs.

Long, Haymes & Carr, Winston-Salem, N.C.—Doral, special events—Donald N. Adams, exec vp-mgmt super; Francie Thompson, acct exec.

McCann-Erickson, New York—Camel, Winston—John Bergin, vice-chmn Greg Bathon, exec vp; Simon Marlow, Bob Dunn, senior vps-mgmt reps; Barry Schwieg, David Matthews, acct supers; Lounie Soury, Dave Pastore, acct execs; Bob Hiller, acct super, promo; Jay Beckerman, senior vp-creative dir.

Tatham-Laird & Kudner, Chicago—Century, Sterling, smoking & chewing tobacco, special projects—Charlotte Beers, mng partner-ceo; William Youngclaus, mng partner-coo; James R. Hill, mgmt super; Richard Everett, acct super; John McKee, senior partner-creative dir.

R.J. REYNOLDS
TOBACCO INTERNATIONAL
Marketing Personnel

Lester W. Pullen, president-ceo
Dale F. Sisel, exec vp
Rouben V. Chakalian, exec vp
Peter J. Hoult, vp-mktg
G.E. Harlow, dir-mktg
Ron Field, dir-pr

Advertising Agencies

McCann-Erickson, New York and international affiliates—Camel worldwide.

Other brands handled through a variety of agency assignments country by country.

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How much is the liquor industry spending on a market by market basis?
Turn to LNA for answers.
See page 101

DEL MONTE CORP.

San Francisco, Cal.

Corporate Personnel

Robert A. Fox, president-ceo
Charles J. Chapman, president-coo

A consolidation of dry grocery and beverage products divizion and the frozen and specialty products division.

Del Monte USA

Marketing Personnel

Fernando Gumucio, president
Ewan MacDonald, senior vp-mktg
Charles Weiss, Stephen Rothschild, vps-mktg
Richard Lynch, vp-mktg, seasonal prod
Frank Cheli, dir-mktg, formulated prod
John Creel, dir-mktg, beverages
Skip Ballew, dir-consumer promo
John Mitchell, dir-mktg, frozen food
Brenda Bock, dir-mktg, Patio, Chun King, devel brands
Ted Taft, dir-mktg, A.1 Sauce, Grey Poupon Dijon mustard, Ortega

Fresh Fruit

Sam Gordon, chmn-ceo
John Polychron, president-coo
Ben Klein, senior vp-mktg
G.F. Norwood, vp-mktg, pineapple

International

Grocery Products

Robert Kroll, president
Robert McDougall, dir-mktg, formulated & seasonal food prod
Don F. Chmiel, dir-mktg, beverages

Franchise Beverage Products

Jack Argabright, president
Fran Mullin, president, franchise beverages USA
R. Lockyer, president, Canada Dry Ltd. (Canada)
Neville Williams, president, Canada Dry International

Advertising Agencies

Dentsu Young & Rubicam (DYR), Los Angeles—Hawaiian Punch—David Willoughby, exec vp-genl mgr; Susan Pare, vp-mgmt super; Bob Sutter, acct super; Hal Steinberg, acct exec; Jane Irwin, acct asst.

Foote, Cone & Belding, Chicago—Sunkist, Diet Sunkist—Joan Black, group acct dir; David Haan, vp-acct dir; Julie Gorell, acct dir; Don Hoffman, acct exec; Lisa Fabian, asst acct exec; Wendy French, asst acct exec; Nancy Walker, acct coord.

Marschalk, San Francisco—John Most, mgmt super, F&SP; Sharon Lack, acct super, A.1., Grey Poupon; Margaret Paradis, acct exec, A.1.; Clare LeGros, acct exec, Grey Poupon, Award; Deborah Demarest, acct super, Ortega, devel brands*; Erin Geiszler, acct exec, Ortega; Brett Klein, asst acct exec, Ortega; Amy Monteleone, acct exec, devel brands*; Mary Doan, acct exec, Chun King; Jim Downs, acct super, DM Brand frozen foods; Julie Belott, acct exec, DM brand frozen foods; Cheryl Pierce, asst acct exec, DM brands frozen foods; Jane Stephenson, asst acct exec, A.1., Grey Poupon, Award; Beverly Schwartz, budget coord, DM brand frozen foods.

McCann-Erickson, San Francisco—canned fruits & vegetables, pineapple, tomato prod, fresh fruit—Wayne Fulcher, senior vp-mgmt super, fresh fruits, consumer promo, vegetables, canned fruit, canned pineapple, tomato prod; Walter Menzel, vp-mgmt super, healthy snacks, juice prod; Fred Miller, acct super, consumer promo; Debra Fisher-Brown, acct super, vegetables, canned fruit, canned pineapples; Barbara McCann, acct exec, tomato prod; John Oda, vp-acct super, healthy snacks; Jina Hanft, acct super, juice prod; Katrina Chu, acct exec, consumer promo; Barbara Christen, acct exec, canned fruit, canned pineapple; Lisa Rechtschaffner, acct exec, vegetables; Anson Moore, acct exec, tomato prod; Sarah Delaney, acct exec, healthy snacks; Karen Hertz, acct exec, juice prod; Fabia Butler, asst acct exec, fresh fruit.

Young & Rubicam, New York—Canada Dry—William Thompson, group dir; John Swan, acct super; Chris Callas, acct exec, seltzers & mixers; Andrew Schilling, acct exec, Ginger Ale, soft drinks.

* Development brands include Patio, Morton and any other development brand.

HEUBLEIN INC.

Farmington, Conn.

Marketing Personnel

John A. Powers, president-ceo
Robert M. Furek, exec vp-sales & mktg worldwide
William R. Henn, exec vp-devel
Barry M. Rowles, exec vp-intl
John J. Manning, senior vp-mktg worldwide
Frank McCarthy, senior vp-wines mktg worldwide
James W. Marsh, senior vp-worldwide sales
Erik J. Pierce, vp-pr
David G Eickholt, vp-mktg services
Robert C. Springer, dir-adv services

Advertising Agencies

Asch Advertising, New York—(out-of-home agency-of-record)—Richard Asch, president; Gordon Asch, chmn.

Castor Spanish International, New York—Hispanic adv—Smirnoff vodka, Don Q rum, Jose Cuervo tequila, Black Velvet Canadian whisky, Viejo Vergel Mexicen brandy—Castor Fernandez, creative dir; Arturo Andrade, exec vp.

DYR, New York—Harveys Bristol Cream, Don Q rum, Inglenook wine, Citronet, Torresella wine, Fazi Battaglia wine, Babycham Perry wine, new prod—Robert J. Donahoe, senior vp-group dir; Bill Barrett, dir-media services.

Leber Katz Partners, New York—Club Cocktails, Arrow Cordials, Vikin Fjord vodka, Harbor Lights, Heublein F.S. Cocktails, new prod—Stuart Kissel, vp-acct super; Russ Finley, vp-broadcast operations.

Marschalk Co., New York—Beaulieu Vineyard, spot broadcast agency-of-record—Bob Glassman, acct super; Jay Cossey, media planner.

McCann-Erickson, New York—Smirnoff vodka, Black Velvet Canadian whisky, Irish Mist Liqueur, The Famous Grouse scotch whisky, Regal Velvet Canadian whisky, new prod—Victor Linn, senior vp-mgmt rep; Rick Gallagher, assoc planning dir.

UniWorld Group, New York—ethnic & general adv—Smirnoff vodka, Harvey's Bristol Cream, Club Cocktails, Brass Monkey, Don Q rum—Byron Lewis, ceo; Herman Moles, acct super.

Young & Rubicam, New York—Lancers wine, Vaibon wine, Jose Cuervo tequila, network broadcast agency-of-record—John Stokes, senior vp-mgmt super; Nancy Smith, senior vp-group super.

KENTUCKY FRIED CHICKEN CORP.

Louisville, Ky.

Marketing Personnel

Richard Mayer, chmn-ceo
Robert Hiatt, president-KFC Intl
Donald E. Doyle, president-KFC USA.
Richard Campbell, vp-Zantiago Restaurants
Mick McGraw, senior vp-Worldwide Services
Robert Lee, vp-field mktg
Scott Conner, vp-prod devel mktg
Gregg M. Reynolds, vp-public affairs
Raymond Colon, dir-mktg research
Alvin Hulvey, dir-strategic planning

Advertising Agencies

Mingo-Jones, New York—Kentucky Fried Chicken Corp. black media—Samuel Chisholm, vp-mgmt super.

Young & Rubicam, New York—Kentucky Fried Chicken Corp. natl co-op & company-owned outlets—John P. McGarry, exec vp-group dir.

RANK 48

Richardson-Vicks

Wilton, Conn.

($ figures = 000,000)

Worldwide	1985	1984	% chg
Sales	1,220	1,281	-4.4
Net income	72.2	72	0.4
U.S.			
Sales	N/A	734	N/A
Operating profits	N/A	58	N/A
Advertising	164	151	8.3
Division sales			
Consumer prods.	N/A	1,109	N/A
Other prods.	N/A	172	N/A

Richard-Vicks, Wilton, Conn., became the 48th largest U.S. national advertiser with spending of $163.5 million, up 8.3% over 1983, increasing its emphasis on the consumer healthcare and beauty segments of its businesses, which include vitamin, cough and cold products, and toiletry items. Personal care represents nearly half of the Richardson-Vicks over-all sales.

Sales declined by 4.4% to $1.22 billion, while net income rose 0.4% to $72.2 million during the 1985 fiscal year, ended June 30.

Company officials say lower sales were the result of negative impact of continuing U.S. dollar strength abroad (about 43% of total company sales come from abroad), and point to the over-all sluggish retail environment for health and beauty aid products in this country.

On the international front where Richardson-Vicks markets its products in more than 100 countries, sales were up by 15% in local currencies, but conversion to dollars reduced contribu-

Toy safety

The Consumer Product Safety Commission, which oversees toy safety, reported 118,000 toy-related injuries in 1983. In the 1977, the first year the commission kept records, 146,000 injuries were reported.

CHANCELLOR

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LONDON: 33A Station Road, North Harrow, Middx, HA2 7SU, England; (01) 427 9000

The Rotarian
Advertising Department
1600 Ridge Avenue
Evanston, Illinois 60201
(312) 328-0100

tions by $69 million compared with the prior year.

Advertising expenditures climbed to an estimated $163.5 million, as Richardson-Vicks supported four new product launches during the past year. The company also sold Lavoris brand of mouthwash to Jeffrey Martin Inc. of Union, N.J., for a reported $8.5 million in cash during the first quarter fiscal 1985. Advertising had all but stopped on Lavoris.

Lavoris holds an estimated 2% share of the $430 million mouthwash category, which corresponds to the selling price of the brand. The category is led by Warner-Lambert's Listerine, with a 32% share of the market. Richardson-Vicks also sold in March, 1985, its two-year-old line of Plus line of vitamin and mineral supplements to Faraday Laboratories of Hillside, N.J., for an undisclosed price.

Another divestiture was the company's sale of its Pea-Beu insecticide business in Australia to an Australian company, Reckitt & Colman Pty. Ltd.

At the same time, Richardson-Vicks acquired two Italian products. Keramine H, a line of haircare products based on a patented process for manufacturing hydrolyzed keratin, was bought in January, 1985, from Hanorah Italiana, a leading Milan-based cosmetics and toiletries manufacturer. And Pierrel S.p.a., a pharmaceutical manufacturer in Italy, sold its toothpaste to Richardson-Vicks' consumer products division in June, 1985.

Oil of Olay, Richardson-Vicks' facial moisturizer for the mass market, continues to dominate that segment with around $100 million in sales. Measured spending continued high, as Richardson-Vicks outspent the competition, devoting nearly $25 million in measured spending to the product last year.

By contrast, Noxell, with a 15.6% share of market, with its Noxzema brand, and American Home Products' Youth Guard, reportedly spent $10 million each on their facial moisturizer products.

Oil of Olay has been joined by two line extensions, both facial cleansing products. Olay Beauty Bar, introduced in 1983, is estimated to have recorded a mediocre $5 million to $6 million in sales. Olay Beauty Cleanser, targeted to the mass market non-bar user, was supported by a $10 million campaign in its launch early this year. Young & Rubicam handles Oil of Olay.

Facial cleansing is one of two growth categories Richardson-Vicks has entered.

The second is men's skincare, a category in its infancy, but which by various accounts is growing. Saxon lotion for men, an aftershave conditioner launched in 1983, was joined by Golden Musk fragrance line extension. Saxon sales have not been exuberant, and this year's $680,000 measured spending advertising budget represented a significant drop in support to about one-fourth of last year's $3 million budget.

Clearasil, a name long associated with teen skincare, is extending its base to the 20-34 young adult market, as this country's teen population declines. The Latin American and Asian markets, however, continue to provide Clearasil with a growing teen audience. Clearasil adult care acne medicine entered the $140 million-plus, acne-remedy market last fall. Clearasil was edged out in the battle for market leader by Revlon's OXY 5. Market share for both is in the low 20% range. Noxell's Acne 12 trails with a 6.3% share.

Richarson-Vicks' activity in the $750 million cold remedy market was augmented by a line extension, and a reformulation, in hope of strengthening its well-known Vicks line against the onslaught of new products that continue to enter the segment.

Richardson-Vicks holds an estimated 20% share of the $300 million cough syrup market, mainly because of its Vicks Formula 44 line, in which Vicks Formula 44 remains the individual top-selling brand, company officials say.

Throughout the first half of fiscal 1984, company officials reported a 14% unit sales growth for the line, with strongest performance in supermarkets. Because each product in the line provides the maximum allowable level of cough suppressant, the advertising stresses the products' "adult" strength with the theme, the "Adult formulas for the coughs adults get with the strength adults need."

For the first time, the entire line is featured in the campaign, which reached its highest level of spending in the category's history.

The Vicks Formula 44 line got more than $8.5 million in measured support in 1984, up 42%. Most of it was in network tv. An improved version was introduced last year. Formula 44 has been on the market since 1958.

However, the October, 1984, launch of Vicks Formula 44 M was the first addition to the line since 1973. Riding on the Vicks Formula 44 name, and appearing at the start of the cough and cold season, Vicks Formula 44 M is performing unusually well as a product that combines a cough suppressant with an expectorant, nasal decongestant and an analgesic.

While Formula 44 profits from its adult skew, the Cremacoat line, launched in fiscal 1984 with pharmacy-exclusive distribution, is positioned as a whole family line.

Advertising is directed to physicians and pharmacists via professional journals and patient samples to establish Cremacoat as a professionally recommended, pharmacy-only product.

During the past year, Richardson-Vicks filed four investigative new drug applications with the Food & Drug Administration in the cough/cold analgesic areas.

Although sales for the Vidal Sassoon line of haircare products lagged, advertising and promotional expenses were increased, with measured media support climbing to $21.2 million in 1984, up 49.3%.

Richardson-Vicas attributes the lag in sales to an adjustment in inventory trade levels.

Two new product introductions were a factor in the boost in advertising spending.

Breaking into a booming new category were Vidal Sassoon's styling mousse and gel products, which were introduced in March, 1984, and which already have added $175 million in retail sales to the segment in just over a year. In a category in which more than a dozen new entrants in one year were jockeying for position, Vidal Sassoon mousse established itself in the top three, reportedly along with earlier arrival L'Oreal (Cosmair) and Alberto (Alberto-Culver Corp.) mousse products.

Company officials claim the Vidal Sassoon gel product has taken the lead in mass outlet distribution. The $450 million hair spray category has grown faster than most other hair segments, mainly because of the mousse and gel entries in the market. Surprisingly, company officials report there has been no cannibalization of the Vidal Sassoon hair spray since the introduction of the mousse and gel. They point to research that demonstrates that most women use hair spray in combination with a mousse or gel.

Vidal Sassoon mousse and gel are the first products in a planned line of other styling products yet to appear on the market, all of which are designed to satisfy women's broad range of styling needs. Included in the future intro lineup are a sculpting gel for achieving a "wet look," a body glaze for fullness and shine, and a "style fix" product for avant-garde hairstyles. With so many new products planned, and a recognizable name established, Vidal Sassoon's advertising efforts aim for a total line, rather than a single-product approach.

Richardson-Vicks' second major haircare line, Pantene, which is skewed toward a more upscale audience, also launched mousse and gel products last year, in October.

The Pantene products were the first to reach department store counters, where company officials claim they have established the lead, with their pro-vitamin and sunscreen products for the hair.

Measured spending on Pantene, basically print in nature, almost doubled to $1.5 million in 1984 from $759,300 in 1983. This fiscal year, Pantene introduced its Sunbrella line of mousse and hair sprays, which offer higher levels of sunscreen for summertime use.

Mill Creek, Richardson-Vicks' natural products business, also added a line of suncare products, for distribution in health food outlets.

Richardson-Vicks' homecare products segment had a difficult year despite the lead position of its Formby's line in the refinishing market. Company officials blame the lower sales on the declining number of home refinishing activities.

Baker Instruments Corp. will be marketing a line of monoclonal antibody-based diagnostic kits for use in physicians' offices, and by hospitals and laboratories.

One such kit is Confidot, in which testing can be performed as early as 10 days after pregnancy has occurred. Results are available within minutes.

R-V in 1984 helped establish a Center for Alternatives to Animal Testing at Johns Hopkins University to examine alternatives to the use of animals in product testing.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	160	0
Magazines	15,442	11,131
Network cable	930	197
Spot tv	22,796	20,928
Network tv	61,131	59,139
Spot radio	1,863	813
Network radio	1,600	[illegible]
Total measured	103,921	94,127
Total unmeasured	59,579	56,884
Estimated total	163,500	151,011

RICHARDSON-VICKS CO.
Ten Westport Rd.
Wilton, Conn. 06897
(203) 762-2222
Vicks Europe/Africa Division
Marketing Personnel
J. Kraebber, president-genl mgr
Americas/Far East
Division
Marketing Personnel
T.A. Garrett, president-genl mgr
C. Nash, exec vp-mktg dir
W.A. Crowther, mktg dir-communications
P. Draper, dir-mktg rsch
Health Care
Products Division
Marketing Personnel
N.O. Matt, president-genl mgr
Stephen E. Bear, vp-mktg dir
W.J. O'Neill, vp-mktg dir
W.S. McGranahan, vp-mktg service
Advertising Agencies

Benton & Bowles, New York—Lifestage vitamins, Cremacoat cough medicines, Day-Care cold medicine, NyQuil, Sinex, Vaporub, Vicks Blue cough drops, Victor's cough drops, Vicks cough drops—Richard Hopple, senior vp-acct dir; Alan Goltz, senior vp-mgmt super.

Slater Hanft Martin, New York—Percogesic analgesic—Jerry Martin, chmn-mgmt super; Rick Dorin, acct super.

Young & Rubicam, New York—Tempo, Formula 44D—Robert Gleckler, senior vp-mgmt super.

Personal Care
Product Division
J.D. Anty, president—genl mgr
T. Laughlin, vp-mktg dir
W.S. McGranahan, vp-mktg services
R. Rogge, vp-mktg dir
Advertising Agencies

Benton & Bowles, New York—Clearasil, denture prod—Richard Hopple, senior vp-acct super; Pat Doody, senior vp-mgmt super.

Carrafiello-Diehl & Associates, Irvington-on-Hudson, N.Y.—Fasteeth, Fixodent, Complete, Denquel, oral health prod—Pat Mandarano, vp-mgmt super; Tom Heigl, acct exec.

Leber Katz Partners, New York—Saxon aftershave, Pantene prod—Cynthia Perry, acct group super, Vivian Loewenstein, acct exec.

Young & Rubicam, New York—Olay prod—Robert Gleckler, senior vp-mgmt super.

VIDAL SASSOON INC.
Los Angeles, Cal.
Marketing Personnel
P.L. Wilson, president
S. Krawczyk, coo
L. Taylor, senior vp, dir-creative services
T.B. Quarton, dir mktg
Advertising Agency

Peter Rogers Associates, New York—Sassoon shampoos, conditioners, rinses, coordinators—Peter Rogers, president; Len Favara, creative dir; Gerry Tabaczyk, senior vp-acct services dir.

NATURAL CARE
Products Division
Irvine, Cal.
Marketing Personnel
D. Hoffmeister, vp-genl mgr
R.E. Carter, mktg mgr
J.T. BAKER
CHEMICAL CO.
Phillipsburg, N.J.
Marketing Personnel
T.M. McGuire, chmn
B.M. Rein, vp-mktg, specialty chemicals
J.L. Zapf, director-mktg admin
Advertising Agencies

Cunningham & Walsh, Chicago—Andrea Barr, acct super; Jim Davidson, mgmt super.

Rosston, Kremer & Slawter, New York—Abraham Kremer, president-acct exec; Paul Slawter, acct exec.

Stiegler Wells Agency, Allentown, Pa.—Daniel C. Wells, president; Jo Ann Petro, acct exec.

BAKER INSTRUMENTS CORP.
Allentown, Pa.
Marketing Personnel
G.E. Lewis, president-genl mgr
R.A. Sullivan, vp-mktg
D.J. Holland, vp-sales
M.G. Hossom, vp-mgr, chemistry systems
Advertising Agencies

Barbetta Miller, Fairfield, N.J.—Rebel Robertson III, acct super.

RVI HOME CARE
Products Division
Memphis, Tenn.
Marketing Personnel
J.B. Cappio, president-genl mgr
J.D. Mitchell, dir-mktg & sales
W.P. Melvin, dir-mktg & sales
S.G. Staves, mktg mgr
B. Sharpe, mktg mgr
Advertising Agency

Slater Hanft Martin, New York—Formby's furniture refinisher, paint remover, Tri-Flow lubricant, Thompson's Water Seal—Jerry Martin, chmn-mgmt super; Rick Dorin, acct exec.

Sara Lee Corp.
Chicago
RANK 32

($ figures = 000,000)

	1985	1984	% chg
Worldwide			
Sales	8,120	7,000	16.0
Net income	206.3	184.4	9.5
U.S.			
Sales	6,631	5,632	17.7
Operating profits	N/A	340	N/A
Advertising	258	197	31.1
Division sales			
Consumer foods	2,615	1,896	37.9
Food service	1,484	1,363	8.9
Beverages	1,453	1,440	0.9
Personal prods.	1,641	1,446	13.5
Direct sales	1,039	962.3	8.0

Sara Lee Corp., formerly called Consolidated Foods, had a total advertising estimate of $258.4 million, up 31.1% over 1984, to rank as the 32nd largest national advertiser. Sales for 1984 rose 16%, to $8.12 billion from 1983. Net income climbed 9.5% to $206.3 million in 1984, off slightly from the 10% earnings increase a year earlier.

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Source: Scarborough Research, 1983. Represented nationally by Sawyer-Ferguson-Walker Company, Inc.

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Join the trend!
PIB/LSA
U.S.News

Sara Lee's 16% sales increase looks good compared to the food industry as a whole, which has been growing about 2% annually in sales.

In the view of analyst Laurie Lively of Oppenheimer & Co., New York, "Sara Lee is well known for its strengths in unit volume growth. They're [Sara Lee] going where markets are growing—unlike the breakfast cereal market which has just 3% to 4% growth. Sara Lee is less willing to sacrifice earnings to advertising." Ms. Lively estimates that food earnings in general are going up 17% for 1985.

Those growth markets are in areas like meats, in which sales are 70% of the revenue in the big consumer foods segment of Sara Lee, specialty food products, baked goods and intimate apparel. Ad spending reflected developments in those markets. Spending for meat brands was up 66%, to $9.4 million. Hanes men's underwear line measured advertising rose 68%, to $9.95 million, and its women's hosiery/pantyhose lines, with L'eggs, rose 35% to $36.3 million while the Hanes brand, grew 29% to $28.1 million.

Ad spending also ballooned in promotions of specific new products such as Popsicle Industries' OREO Cookies n' Cream line of ice cream sticks, sandwiches, and half gallons ($3.5 million).

In spite of its success, Sara Lee recently seemed to face an identity crisis as acquisitions pulled in more and more nonfood companies. A study in the investment community found that only 22% of those polled knew what Consolidated Foods did. After testing for a new name, Sara Lee Corp. was agreed upon by shareholders in April, 1985. The Sara Lee name itself came from an acquisition, Kitchens of Sara Lee, named for the daughter of the Kitchen's founder, Charles Lubin.

Company chairman-ceo, John Bryan, is said to oppose maxi-acquisitions that may load the company with big debt and unknown factors. He largely advocates growth from within.

But he has engineered a number of acquisitions and divestitures in 1984 and so far in 1985. The major acquisition was made in October, 1984, when Sara Lee acquired all of Melbourne, Australia-based Nicholas Kiwi Ltd.'s outside of Australia and about 15% of the Australian business for an estimated U.S. $300 million. The Sara Lee portion accounts for 75% to 80% of Kiwi's annual sales of $287 million and earnings of $26 million.

Kiwi's well-known Kiwi, Cavalier, Saver, and other shoe care brands account for nearly $100 million in sales. The rest comes from a varied line of personal care and household products including Bloo toilet bowl scrubber, Miracle White laundry detergent, Ambi skin care products for black consumers, and Wood Preen floor and furniture polish.

In July, 1985, Sara Lee acquired Coach Leatherware, a New York-based maker of high-quality leather handbags and accessories.

Among divestitures included the sale, in April, 1984, of C&C Cola, which had not performed as hoped, and in June, 1985, the divestiture of Idaho Frozen Foods, Twin Falls, Ida., to potato processor, Universal Foods. The same month, Sara Lee sold service merchandiser Sav-A-Stop, Jacksonville, Fla., to ZF Corp., because of disappointing performance. And Sara Lee sold its 670 Lawson's convenience stores in the mid-East to Dairy Mart Convenience Stores Inc. of Enfield, Conn., and is phasing out Sara Lee Ice Cream, produced in the 1970s, discontinued, then reintroduced in 1982.

Sara Lee's biggest operating segment, consumer foods, had fiscal 1985 sales of $2.62 billion, up 38.2% from 1983. Operating income was up 21%, to $149.8 million. Within the segment, unit volume of frozen baked goods, including Kitchens of Sara Lee and Chef Pierre Lloyd J. Harriss pies, was up 9%. Biggest new product items for Kitchens of Sara Lee, which now markets 80 products, are its 11 varieties of frozen croissants and five flavors of Bagel Time Bagels. Ad spending for Sara Lee brand was down slightly, 2%, to $5.6 million from a year earlier. Expenditures for Chef Pierre and Harriss were up about 7%, to $536,600.

Eric Larson, securities analyst with PaineWebber, New York, says, "The bakery business, especially fresh baked goods, is another growth business, and doing well. General Foods understood this in acquiring Entenmann's. Sara Lee gets good shelf space for its fresh and frozen croissants, for main meals, and hors d'oeuvres."

In specialty meats, unit volume was up 11%. This is a food line in which Sara Lee uses a different approach than that of other meat companies, says Mr. Larson. "Sara Lee looks at it on a regional basis. John Bryan has a meat background . . . He's 'beefing' that area up—adding through acquisition—and knowing consumer tastes are different, region by region."

Perhaps the one exception to its regionalization is its Jimmy Dean brand, the largest U.S. brand of fresh sausage and, with some of the other sausage lines, has made Sara Lee the nation's biggest producer of fresh sausage. This fall Jimmy Dean is introducing Steak & Biscuit packs and Chicken & Biscuit packs in the Southeast and Southwest and also a line of Jimmy Dean Party Link cocktail sausages in major metro areas. In 1986, the Jimmy Dean line will hit New York City.

Biggest advertising spending for the meat companies was for Hillshire Farm, New London, Wis., and Cincinnati, up 62% to $5.6 million.

Other big spending in the food group was for Popsicle's OREO Cookies 'n Cream and for Chocolaty PayDay, which debuted in December with spending of $1.1 million that month. The new product came from Hollywood Brands, Centralia, Ill., which also produces regular PayDay, Milk Shake, Butternut, and Zero candy bars, but until now with little ad backing, according to Hollywood's vp-marketing Bob Gulovsen. Hollywood Brands has just started consumer marketing to augment sales which have more than doubled in the past two years.

In the beverages segment, sales rose less than 1%, to $1.45 billion, although operating income rose 13%, to $54.9 million in 1984. Holland-based Douwe Egberts, marketer of coffee, tea, and tobacco products in Western Europe, had a sharp rise in operating income, helping the figures in the beverage segment.

Measured advertising for the Shasta beverage line, with annual sales estimated at $400 million, was off 17% in 1984, to $10.2 million. One big drop within the line was a 48% decrease in backing for Capri Sun Natural Fruit Drink, to $2.9 million. At the same time, support for the Shasta diet soft drink line more than tripled, rising to $3 million.

Capri Sun's market share has fallen to 29% of product volume since it introduced Capri Sun and its German-developed aseptic carton packaging to the U.S. in 1979. Coca-Cola's Hi-C has grown to 25% of market, Del Monte's Hawaiian Punch, 17%, and Ocean Spray, 10%.

Shasta, based in Hayward, Cal., reformulated its entire diet line of 18 flavors with aspartame sweetener. The top six flavors are 100% aspartame, and the others are sweetened with an aspartame-saccharin blend. The company is test marketing Spree All-Natural soft drink; now with seven flavors, in northern California, Ohio and Florida. New flavors for Capri Sun are Wild Cherry and Red Berry.

PaineWebber analyst Mr. Larson questions the Shasta product line. "It's too small to compete with the major soft drink producers . . . Sara Lee wanted to go for all-natural drinks to try for a bigger part of the market—if only 3%—but the big pop companies fought back."

The consumer personal products segment had a sales increase of 13%, to $1.64 billion. Operating income rose

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19%, to $137.9 million for the year. Nicholas Kiwi was credited with part of this rise, along with the hosiery companies, L'eggs and Hanes, and the knitwear units, Hanes Knitwear and Hanes Printables, which made 7% gains in unit volume.

Ad backing for the Aris Isotonor line of men's and women's gloves and women's slippers and knitwear increased 47%, to $7.9 million. Aris, New York City, plans another $7 million year in 1985 in both print and network tv.

Isotonor is introducing Stain Guard water-and-stain resistant leather gloves, said to be a first on the market, and new light-weight Isotonor gloves for women.

Bali Co., New York introduced new Bali brand Neo Classic bras and panties in "male look" dark fabrics; a line of A-OK A-cup bras to give the small-breasted woman new stylish materials and designs; Ce Soir European styled bras and panties with the sheer European look and Something Else panties in light-control materials—all to be merchandised at a self-contained in-store environment called the "island of Bali."

Spending for the intimate apparel line was down 10% for 1984, falling to $2.3 million. Bali has its problems according to Laurie Lively of Oppenheimer, who believes a reason for lower profits at Bali may be that management was not reacting to changes in style and taste.

"So Sara Lee replaced Bali management. And they had inventory problems. The women's lingerie business must be fashion-oriented," Lively says.

The 29% increase to $28.1 million in 1984 spending for the Hanes hosiery and pantyhose line reflects the vitality of that line which is offering seven new products for the summer and fall. Hanes Hosiery, Inc., Winston Salem, N.C., announced Fitting Pretty brand, a full-line brand of panty hose for hard-to-fit women and a line extension called Hanes Alive Light Support pantyhose. Also announced were Hanes Light Tights, a line extension that is a lightweight tight; Silk Reflections, a spandex sheer style; Papillon Brand, a full-line premium-priced flanker designed to compete with Evan Picone, Christian Dior, etc.; Summeralls, a summerweight panty top; and Isotonor Brand, a new full-line spandex panty hose made of three different deniers of spandex.

The ball's right on par

Through its Titleist line of golf balls, American Brands served up 87 million balls to linksmen in 1984. The Titleist 384 Tour, introduced in 1983, is the most-played ball of golf professionals on the PGA Tour, while Pinnacle, a two-piece construction ball manufactured under the Titleist banner, is one of the most-played balls in the country by amateurs.

New from Hanes Knitwear, Winston Salem, the second biggest men's underwear maker, are a new men's fashion underwear program, "Bill Blass for Hanes," and the ShowToons series of cartoon-decorated underwear for girls, duplicating a style started for boys.

Ad spending for the ShowToons grew 9% in 1984, to $853,700. The spending increase of 68% for the men's lines was the heaviest of all Sara Lee products.

While Hanes spread its 1984 ad spending of $28.1 million for women's hosiery products across both print and electronic media, L'eggs went almost entirely to magazines with its purse of $36.3 million.

Capitalizing on the fitness boom, L'eggs will now mass merchandise tights for its little plastic egg packages. Also, there will be three line extensions—Just My Size Silky Sheer, Just My Size Regular in fashion dark colors, and Just My Size Winterwear. Rollouts for these products will be this fall.

Consumer direct sales passed the $1 billion mark for that segment in 1984, boosting revenues 8%, to $1.04 billion and operating income 6%, to $91.1 million.

Sara Lee attributes the performance to good results from Fuller Brush, the direct marketing division which offers mail order sales mainly of L'eggs irregulars and white hosiery for nurses; and the Electrolux Corp., the largest division of this segment, up 9% for the year in volume sales of its vacuum cleaners and other floor-care equipment.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	4,812	2,834
Magazines	20,368	16,672
Network cable	1,262	1,191
Spot tv	27,919	17,077
Network tv	69,557	56,150
Spot radio	2,345	1,983
Network radio	1,921	2,552
Outdoor	179	251
Total measured	128,362	98,708
Total unmeasured	130,000	98,341
Estimated total	258,362	197,049

SARA LEE SUPPLIED ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	25,475	16,954
Magazines	22,677	20,641
Network tv & cable	75,237	69,821
Spot tv	34,968	27,176
Network tv	69,557	56,150
Spot radio	3,050	3,814
Network radio	1,584	2,693
Outdoor	2,952	1,412
Total measured	165,943	143,511
Total unmeasured	154,130	135,226
Estimated total	320,073	278,737

SARA LEE CORP.
Three First National Plaza
Chicago, Ill. 60602-4260
(312) 726-2600

Marketing Personnel

Charles Ostrander, vp-mktg, Aris Isotoner
Al Dold, vp-mktg, Bali Co.
Robert B. Crawford, vp-sales & mktg
Steen A. Metz, vp-corp business devel, Booth Fisheries
John Lox, vp-mktg, Bryan Foods
Jack Thomas, senior vp-sales & mktg, Buring food group
R.D. Bullard, vp-mktg & genl mgr, retail sales
Gary Ramey, mktg mgr, retail
Stephanie Walter, mktg mgr-foodservices, Chef Pierre
William Douque, genl mktg mgr, Douwe Egberts, The Netherlands
Patrick W. Tolbert, group vp-growth & business devel, Electrolux Corp.
Robert McGurkin, dir-household mktg, Fuller Brush Co.
Ron Dix, dir-mktg, Gallo Salame
Robert E. Simms, vp-mktg, Hanes Hosiery
Kirk Beaudin, vp-mktg, Hanes Printables
Charles Lehamn, vp-mktg
Sherri Swihart, dir-mktg, Hi-Brand West
Teri Burgess, pord mgr, Hi-Brand Foods
James M. Williams, vp-retail sales & mktg
Kathleen Horner, natl dir-mktg, Hillshire Farm Co.
Bob Gulovsen, vp-mktg
Joe McGraw, dir-mktg, Hollywood Brands
Ed Jenkins, vp-mktg, Jimmy Dean Co.
Steven P. Stanbrook, vp-mktg, Kiwi Brands
Robert Fraser, vp-mktg, Lyon's Restaurants
Tom Reddy senior vp, genl mgr, Emmber Brands, Peck Meat Packing Corp.
Paul J. Kadin, vp-mktg, Popsicle Industries
Ronald Elmquist, vp-sales & mktg, PYA/Monarch
Ted Kengla, vp, Poultry Specialties
Larry Wucher, vp-sales & mktg, R.B. Rice
Greg Morre, vp-mktg, retail sales
Glen Mazepa, dir mktg
Bob Roberts, retail prod mgr, Rudy's Farms
Charles F. Marcy, vp-retail mktg, Kitchens of Sara Lee
Robert H. Cohen, dir-mktg, Shasta Beverages Inc.
Joe Kaminsky, senior vp-sales & mktg, Sirena Inc.
Ed Breclaw, vp-mktg
Sheldon Kail, prod mgr, coffee
Bill Mortimer, prod mgr, foods
Randall Voorn, genl mgr, Moccomat, Superior coffee & foods

Advertising Agencies

Ally & Gargano, New York—Bryan (processed meats including Smoky Hollow brand)—Peter Bates, senior vp-acct mgmt; Chuck McMellon, senior vp-mgmt super; Barry Vetere, creative dir.

Aris Isotoner Inc. (handles all advertising & media placement in-house).

Barkley & Evergreen, Kansas City, Kansas—R.B. Rice creative & pr—Connie Bookmyer, acct exec.

Basinger & Associates, Atlanta—Hi-Brand Foods—John Basinger, acct exec.

Berry-Brown, Dallas—Jimmy Dean Sausage.

Brooks-Pollard, Little Rock, Ariz.—Rudy's Farm foodservice—Doug Williford, acct exec.

Burrell Advertising, Chicago, Ill.—Black adv: L'Eggs hosiery—Edward Morris, senior vp.

Cooper Jenner Stafford, Waterloo, Ia.—Hillshire Farm—Jim Stafford, vp.

Dancer Fitzgerald Sample, New York—Hanes, Hanes Too!, Papillon, Light Tights, Casuales—Harley Griffith, Sue McClellin, acct supers; Mary Lander, Catherine Streich, acct execs. Bali—Tom Bohan, exec vp-acct dir; Dennis Keane, senior vp; Jacquleen Ferrell, acct exec, Bali Brand; John Grant, acct exec, Something Else; Marianne Bess, acct exec, Bali, A-OK, CeSoir; Barbara McKale, acct exec, Something Else, A-OK, CeSoir. Popsicle—Mike Jeary, vp-mgmt super; Marc Luchansky, vp-acct super; Carey Field, acct exec. L'eggs—Michael Donahue, exec vp-acct dir; Michael Leahy, senior vp-mgmt super.

Dillard & Lavine, Dallas—Standard Meat Co.—Steve Lavine, acct exec.

W.B. Doner & Co., Baltimore—Bali corp co-op adv—David Sackey, senior vp-acct dir; Ellen Gordon, acct super; Deborah Goetz, acct services.

Doyle Dane Bernbach, New York—100% d'Lite—Michael Perkins, acct super.

Evans, Lynch, Rockey, San Francisco—Lyon's Restaurants—Greg Pabst, exec vp-acct services; Martin D. Rockey, creative dir.

Food Group, Los Angeles—Hi-Brand foods—Bob Hager, acct exec.

Foote, Cone & Belding, Chicago—Sara Lee (retail)—Dan Fox, senior vp; Scottie Perry, acct super; Helen Johnson, Marilyn Vender, acct reps.

Foster & Green, Baltimore—Kiwi Brands Inc., Saver & Cavalier.

Frankenberry, Laughlin & Constable, Milwaukee—Hillshire Farm heartland state region—Dick Papke, vp-acct services; Maribeth Scaaf, acct exec.

HBM/Creamer, Pittsburgh—Chef Pierre, Lloyd J. Harriss Pies—William E. Sprague, exec vp; Howard Gittins, senior vp; Pat Wood, acct mgr; Dave Biggar, acct exec.

Henderson Advertising, Greenville, S.C.—Hanes Printables consumer adv—Ralph Callahan, president-acct services dir; Hayward Whetsall, vp-mgmt super.

Holt Enterprises, Greensboro, N.C.—Hanes Printables trade adv— Jim Houghtaling, president; Leta Pittman, graphics designer.

Ketchum Advertising, New York—Today's Girl—Don Burkett, acct super; Caroline Moore, acct exec.

Lewis, Gilman & Kynett, Philadelphia—Kiwi Brands Inc. Kiwi, Bloo, Miracle White, Johnny Mop, Wood Preen.

Long, Haymes & Carr, Winston-Salem, N.C.—Fitting Pretty, Isotoner—Don Van Erden, acct super; Patrick O'Sullivan, acct exec. Hanes Knitwear brands of mens, boys, girls underwear—Loren Chamberlain, exec vp-acct mgr.

John Malmo, Memphis—Buring Food Group—Bob O'Connor, vp.

Mandabach & Simms, Chicago—Sara Lee foodservice—Lee Lippman, senior acct super; Jim Flurry, acct super; Joy Mizell, acct exec.

Mandabach & Simms, New York—PYA/Monarch—Harry Delaney, mktg rep; Ken Seiter, acct exec.

Maris West & Baker, Jackson, Miss.—Bryan canned meats—Gerrit Maris, president; Henry B. Ford, vp-mktg.

Lynn Medberry Associates, Los Angeles—Sirena swimwear line, Wear About beachwear line—Lynn Medberry, owner-acct exec; Edward Freeman, acct exec.

Needham, Harper & Steers, Chicago—Shasta, C&C, Capri Sun, Spree—Ron Bess, group acct dir; Mary Conrad, acct super, Shasta; Madeline Gryll, acct super, Capri Sun; Martin Sherrod, acct exec, Capri Sun; Susan Graham, acct exec, Shasta; Brian Goodall, mgmt rep, Shasta, Capri Sun; Mark Holtzer, mgmt rep, Shasta.

Noble & Associates, Chicago—superior coffee & foods—Raymond Jorns, vp-acct service.

Proctor & Gardner Advertisng, Chicago—R.B. Rice media services—Rolfe Kolconay, acct exec.

Scott Advertising, Milwaukee—Emmber Brands, Preck Meat Packing—Chuck Reynolds, acct exec.

Sive Associates (div of Young & Rubicam), Cincinnati—Kahn's, natl mktg for Hillshire Farm, media services—Phil Mandel, vp-mktg planning; Susie Perkins, acct exec.

Specht, Gilbert & Partners, New York—Underalls, Slenderalls, Winteralls, Coloralls—Don Gilbert, president; Anne Kirkwood, acct super; Katie Ryan, acct exec.

Uniworld Group, New York—Kiwi Brand, Ambi, Mia.

Venet Advertising, New York—Hillshire Farm creative.

Young & Rubicam, San Francisco—Gallo Salame—Skye Hallberg, vp-mgr; Andrea Alfano, acct exec.

Schering-Plough Corp.

RANK 52

Madison, N.J.

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Sales	1,874	1,809	3.6
Net income	177	179	-0.7
U.S.			
Sales	1,076	985	9.2
Operating profits	238	215	10.9
Advertising	144	118	22.3
Division sales			
Pharmaceutical	1,057	996	6.1
Consumer prods.	818	813	0.6

Schering-Plough Corp. was the country's 52th largest advertiser with estimated total advertising expenditures of $144.3 million, or 22.3% higher than 1983 expenditures.

The Madison, N.J.-based company had U.S. sales of $1.08 billion, up 9.2%, and U.S. operating income of $237.9 million, up 10.9%. In the U.S., measured media expenditures decreased slightly in 1984, down 0.1% to $69.3 million. Worldwide sales were $1.87 billion, up 3.4%, and operating income from continuing operatins was $177.2 million, down 1%.

Pharmaceuticals, Schering-Plough's main business segment, recorded $1.06 billion in sales, up 6.1%, as domestic pharmaceuticals propped up the division with sales of $536 million, up 13%. Foreign pharmaceutical sales declined 0.5% to $520.8 million, a figure affected by foreign currency conversions.

Schering-Plough's major business line outside of research-based human pharmaceuticals is its personal and healthcare products sector—a consumer products-oriented sector that had 1984 sales of $817.5 million, an increase of less than 1% from 1983. International consumer sales dropped 7%, or $22.1 million, while over-all proprietary product sales were generally slow partly because of lower sales of laxative products and the St. Joseph brand of aspirin products. Domestic sales rose 5%, which the company attributed to the success of its Maybelline cosmetics line, including new product launches.

Company returns did not quicken much in the first quarter of 1985. Sales and earnings rose slightly to $487 million and $54.1 million, respectively, versus $486.5 million and $53.3 million for the first quarter the previous year.

Schering-Plough completed its broadcasting divestiture activity last year by selling its radio operations, which netted the company $53.9 million. Capital expansion totaled $140 million in 1984 and included the construction of an interferon plant in Ireland, a pharmaceutical development facility in Kenilworth, N.J., and the completion of new headquarters in Madison, N.J.

In the consumer segment, sales for the Maybelline line rose 14%, to an estimated $231 million. Maybelline is the market leader in the mass-marketed cosmetics category. Aided by the 1984 introduction of new products such as Expert Touch makeup implements and the largest advertising budget in Maybelline history, Schering told women around the country they could "be at their best with Maybelline," through a Bloom Agency of Dallas-inspired campaign. Joining the Expert Touch line of facial brushes and makeup tools in bolstering Maybelline's sales were the Long Wearing line of lipsticks and foundation makeup and the Shine Free Oil Control line of makeup.

All in all, Maybelline received close to $34 million in measured advertising support, a 13.7% increase over 1983 levels. The Maybelline spending represented 49% of total measured advertising of $69.3 million. The Moisture

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** Dayton only, 1984 Paragon Survey; *** 1983, Ohio Data Users Center

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See page 101

Whip line got a slight boost in advertising, totaling slightly more than $7 million. By contrast, Shine Free cosmetics received only $811,600 in measured media support, according to six-media figures monitored by Leading National Advertisers, which reflected a slight gain in budget.

The line receiving the highest support as a single type of product was Maybelline's mascaras, which had $10.3 million in support, closely paralleling last year's expenditures. Other eye products, excluding the Shine Free line versions, got $7.2 million in spending.

Schering-Plough suncare products experienced slow growth because of inclement weather last year, but analysts say the market has improved this year. Coppertone suncare products maintained their dominant market position, aided by a $4.4 million measured media budget. Solarcaine was aided by a line extension, an aloe version.

Late last year, Schering-Plough brought its sun products full circle with the launch of Shade, a line of sunscreen products which it armed with a $5 million advertising budget. Positioned against Johnson & Johnson's Sundown sunscreens in a segment growing at 20% annually, Shade received $1.5 million in measured support and earned a 3% and 5% share of the suncare product universe, a strong showing for a new product, says Kidder Peabody analyst Arnold Snider III.

The Coppertone name has been licensed for a line of fashion sunglasses that protect against ultraviolet light. Schering-Plough acquired its own license for use of the popular Ocean Pacific brand name to grace a new line of sun products to be sold exclusively in certain coastal areas, poolside and beachfront outlets.

The Paas line of children's Easter products was expanded to Halloween faces with Paas halloween makeup kits. Following favorable reception, Paas has plans to tackle other holidays. Its Easter product line garnered a 60% share of that market in 1984.

In another area, Schering-Plough in 1985 placed warning labels on bottles of St. Joseph aspirin for children warning of the aspirin-Reye's syndrome link.

Laxative sales declined, though Schering-Plough has introduced the first fiber laxative containing natural grain and fruit fiber under the Correctol brand name in August, 1985.

The Dr. Scholl line of footcare products, which company officials claim exceeds a 90% share in some product areas, saw U.S. sales rise by 10% last year, to $265 million, of which $111 million came from the U.S. market.

Three new products were added to the Dr. Scholl's lineup: A shoe insole scented in microencapsulated timed-release form called Fresh Step; Hidden Comfort half-insoles, which provide discreet foot relief for women to wear with bare toes or heels, and Eliminator, which absorbs foot shock. Dr. Scholl's products, excluding the softening sandal business, received $4.8 million in measured spending, with nearly $3 million supporting last year's launch of Odor Attackers shoe inserts.

Sales at the Wesley-Jessen vision care division leaped 28% in the U.S. Healthy growth was sustained despite industrywide price cuts. Ophthalmic drug sales grew by 16%, but the big news and sales were captured by Wesley-Jessen's introduction of three new types of contact lenses and one improved version.

The DuraSoft line launched two new entries: A new type of extended-wear lens and lenses for astigmatism. Wesley-Jessen also brought to the U.S market its AIRLens gas-permeable lenses that deliver oxygen to the cornea. AIRLens has been selling in Canada for several years. An improved version of DuraSoft 2 bifocal lenses joined the contact lens lineup.

After two years of testing, the Wesley-Jessen division became an advertiser for the first time in 1985. The DuraSoft line of contact lenses and Wesley-Jessen's advertised product line received a $5 million budget to run national tv, radio and magazine advertising throughout the year.

Schering-Plough's pharmaceutical division stepped up its long-term plans to establish a dominant position in recombinant DNA technology, immunology, and to continue its drug discovery program. These include the development of a new anti-insomnia drug, a nonsedating antihistamine and a beta lactum antibiotic.

The division plans to introduce Intron A, its genetically derived alpha-2 interferon product into several markets this year. Intron A is already marketed in Ireland, where an interferon-producing plant is expected to be completed soon, and has been approved for marketing in the Philippines in 1985.

Pharmaceutical companies are in a hot contest to market interferon, a drug used for cancer treatment and even the common cold. Schering-Plough got a jump on the rest in 1984 when Geneva-based Biogen S.A. its interferon licensor, received a generic patent for alpha interferon from the European Patent Office. It still must be approved, however, by regulatory bodies within each country.

However, that patent was challenged by Hoffman-LaRoche, claiming it covered only the "precursor" of the alpha interferon product, not the mature form. Schering-Plough and Hoffman-LaRouche, which markets under the name Roferon A, reached an agreement during the year to sell its interferon free from liability for patent right infringement, worldwide, excluding Japan. The agreement does not affect the administrative proceedings. This marks the first such agreement between pharmaceutical companies in the growing interferon market. In July, Biogen received U.S. patent covering production of recombinant Alpha-2 interferon.

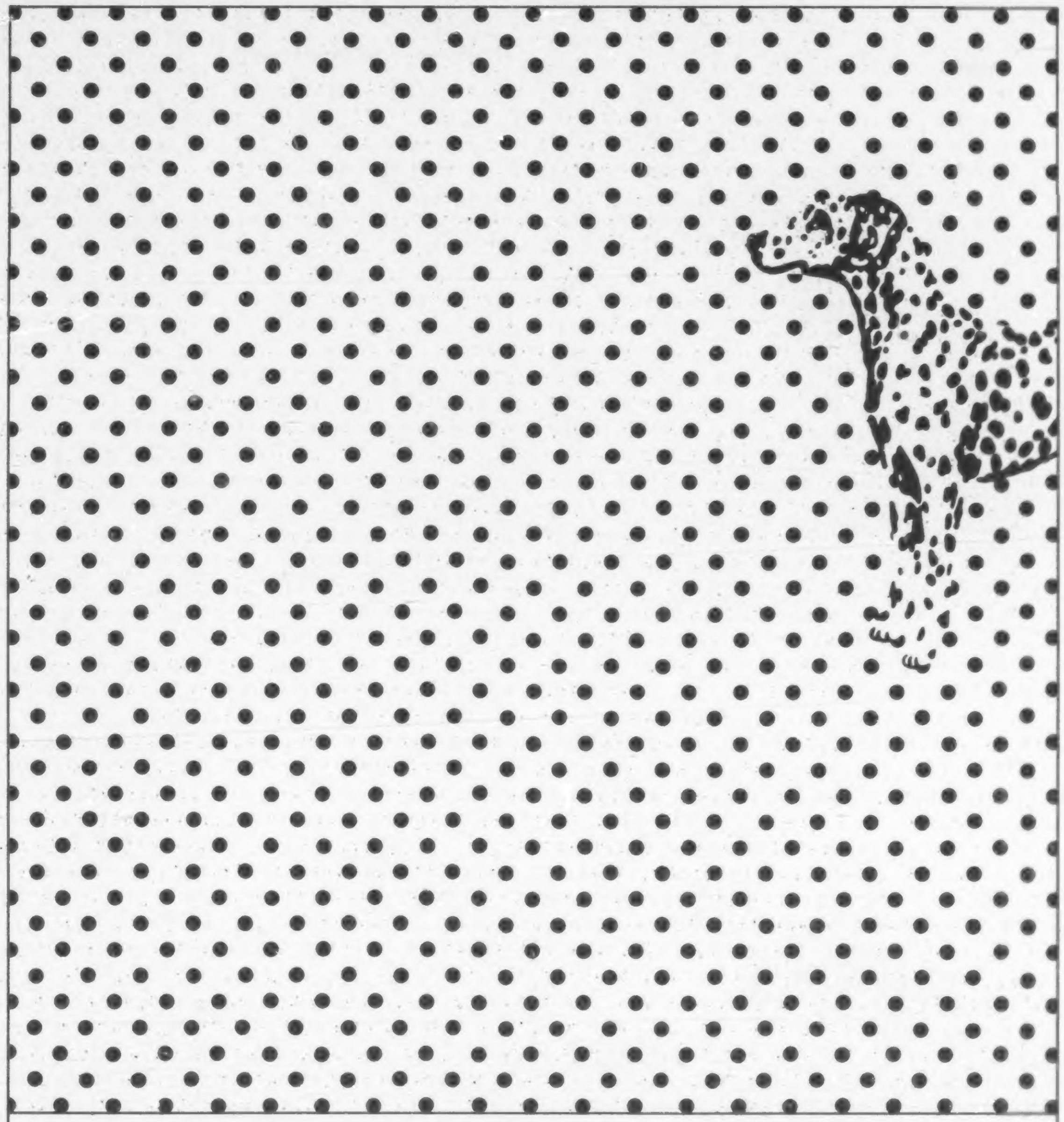
In the U.S., the company took interferon to the Food & Drug Administration, filing new drug applications for four anticancer indications and a preventative treatment for the common cold.

The pharmaceuticals division also is beginning clinical trials of gamma interferon, as part of a biotechnology agreement with the Japanese company Suntory Ltd. However, interferon represents just one chapter in the company's international pharmaceutical activity. Sales gained 14% on the international market over last year in local currencies, but declined by $2.6 million, or slightly less than 1%, in currency conversion.

Quazepam nighttime therapy for insomnia is awaiting U.S. approval late this year or early in 1986. The product has been approved for use in France, the Netherlands, Portugal and South Africa. Eulexin, an oral treatment for prostatic cancer, received approval for marketing in Canada, Chile, Denmark, Portugal and West Germany. Schering-Plough's U.S. pharmaceuticals, which totaled $536 million in sales, exceeded the 1983 figure by $63 million. Over-the-counter products account for 35% of the U.S. pharmaceuticals business.

As a first major step in realizing its goal to expand in the growing cardiovascular market, Normodyne, a prescription anti-hypertensive agent that Schering-Plough officials claim has a superior ability to control and protect cardiac function, was introduced last year. Initial sales of Normodyne exceeded that of any prescription product Schering-Plough has ever launched. Since its introduction last September, through August of this year, $13.7 million worth of Normodyne has been sold. In July alone, 32,000 new prescriptions were filled, while competitor Trandate sold 14,000 prescriptions in the same period. Schering-Plough estimates 1985 sales of Normadyne will approach $15 million and will exceed $50 million per year by 1988.

Normodyne is the Schering-Plough name for labetalol, which is licensed to



Sometimes another look can change the whole picture.

● When you look at the circulation numbers for the two Dallas papers, you may form the wrong image if the information isn't current. Because in an environment that's constantly changing, the picture rarely stays the same. So you need to take another look.

The latest ABC figures show The Dallas Morning News with a commanding lead over the Dallas Times Herald. With more than 127,000 copies daily and over 130,000 on Sunday, The Dallas Morning News gives you more of Dallas. In fact, not only do we lead in total circulation, but we lead in Dallas County as well.* All of which means when you run advertising in The Dallas Morning News, you'll be looking at one thing.

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The Dallas Morning News

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*Source: ABC Publisher's Statement for the period ending March 31, 1985. Calculations by The Dallas Morning News. Media Records, year end 1984.
Represented by Cresmer, Woodward, O'Mara & Ormsbee, Inc. The Leonard Co. Florida, Mexico, Caribbean: Lenha [illegible] [illegible]

Schering-Plough by U.K.-based Glaxo. Glaxo also is the producer of the competition, Trandate.

The dermatological products market grew, aided by sales of Lotrisone cream, a combination antifungal/steroid, which was introduced in July, 1984.

In the first eight months of 1985, Lotrisone achieved $7.6 million in sales. This was partially offset, however, by a drop in sales of Schering-Plough's longstanding dermatological product Valisone, which went off-patent in April, 1984.

Tinactin, an antifungal, held a 35% dollar share of the market at the end of the first quarter, 1985, according to the company.

Schering-Plough has plans to expand in the area of inflammatory and allergic disorders.

Its Chlor-Trimeton allergy product maintained a leading position in that category with a 57.9% share of market.

The product underwent an agency change during the year, moving from Ketchum Advertising, New York, to Ogilvy & Mather, New York.

Drixoral, a former prescription product, now is otc. It reported strong growth. Sales rose 21% to 8 million in drug stores, giving it 9.5% market share.

In management, Donald R. Conklin was promoted to president-Schering U.S., a new position in the company. And a chapter of corporate history closed in 1984 when Abe Plough, founder of Plough Inc., died Sept. 14, 1984, at age 92. He had been Schering-Plough's first board chairman, a post he held from 1971 to 1976.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	260	94
Magazines	22,025	18,926
Network cable	41	53
Spot tv	5,346	5,497
Network tv	33,121	37,879
Spot radio	5,016	2,094
Network radio	1,423	2,829
Outdoor	1,544	1,609
Farm pubs	496	433
Total measured	69,271	69,414
Total unmeasured	75,029	48,553
Estimated total	144,300	117,967

SCHERING-PLOUGH CORP.
One Giralda Farms
Madison, N.J. 07940-1026
(201) 822-7000

SCHOLL U.S. DIVISION
Memphis
Marketing Personnel

James Hardwood, president
Fred Spangler, senior vp-operations
James Roudebush, vp-mktg
Ray Madjeski, vp-sales
Ken Shaw, vp-adv
Alan Beychok, senior vp-mtkg dir, new prod
Tim Ballage, dir-business mgmt
Don Anderson, dir-mktg
Kathleen McCarthy, dir-mktg info

U.S. PROPRIETARY DRUGS & TOILETRIES
Marketing Personnel

J. Richard Briscoe, president
Gerry Nobrega, senior vp-mktg & adv
Russell Elliot, senior vp-adv & mktg rsch
William Manley, adv dir
Tony Guiliano, business dir-suncare prod
JoAnne Brown, senior business dir-proprietary drug prod
Bill Stratton, senior business dir-new ventures

Sales Personnel

Lake-Spiro-Shurman, an in-house agency, Memphis—all Plough, Maybelline & Scholl media placements in the U.S., Pro-Comfort Eliminator Athletic Shoe Insert—Avron Spiro Jr., president; Gene Camerik, vp-media resources; Lewis Nolan, vp-communications; Lynn Sanders, vp-natl media; Ron Wiggins, president, American Image Productions; Robert Maxwell, dir-mktg services; Win Weber, senior vp-sales; Charley Naff, senior vp-sales devel; Ray Wojcik, senior vp-direct sales; Joe Edmondson, senior vp-sales admin & planning

U.S. COSMETICS DIVISION
Marketing Personnel

David Brittain, president
Hank Pellegrin, exec vp
Gary Mulloy, senior vp-mktg, adv & mktg rsch
Bob Schreiber, vp-adv
Chris Berry, vp-new ventures
Roz Daiboch, vp-prod devel
Geoff Crane, group mktg mgr-fragrances, Long Wearing, special projects
Nick Andrus, dir-Blooming Colors, shadows/liners, lip prod
Curt Hicks, dir-Expert Eyes, Expert Touch, Shine Free, Long Wearing
Roger Lewis, dir-Moisture Whip, mascara (excluding Expert Eyes), face prod

WESLEY-JESSEN DIVISION
Chicago
Marketing Personnel

Thomas Steiner, mktg dir

Advertising Agencies

Ted Bates Advertising/New York—Maybelline eye cosmetics & nail enamel, Expert Eyes, Dr. Scholl's—Lynn King, acct super; Joan Rothberg, exec vp.

Robert A. Becker Inc., New York—prescription prod—Robert A. Becker, president; Raymont Perry, senior vp-mgmt super; Doug Frank acct exec.

Bergelt Advertising, New York—Schering veterinary ethical prod—Edward Bergelt, chmn; Robert Trybus, president; John Fraoli, vp-art dir; Jay Levy, acct exec.

Bloom Agency, Dallas—Moisture Whip, Aftate, Feen-a-mint, Solarcaine, Tropical Blend—Sherri Babcock, acct super.

Bryant, Lahey & Barnes, Overland Park, Kan.—Continental Animal Health, American Scientific Laboratories—Forrest Bryant, president; Lorraine Barnes, vp-acct super.

Della Femina, Travisano & Partners, New York—Coppertone—Michael Meyer, group dir; Barbara Carr, acct super; Karee Rubinstein, asst acct exec.

Ketchum Advertising, New York—medical, paramedical, trade & consumer promo-otc prod—Paul J. Abrams, senior vp-dir, sales promo; Donald W. Burkett, senior vp-mgr, acct super; Greg Faust, acct super.

Lake-Spiro-Shurman (in-house)—all Plough media placements in the U.S.—Gene Camerik, vp-media resources; Lewis Nolan, vp-communications; Lynn Sanders, vp-natl media; Robert Maxwell, dir-mktg services.

Lewis, Gilman & Kynett, Philadelphia—prescription prod—Charles Mathias, vp-acct super; Warren Dordine, acct exec.

William Douglas McAdams Inc., New York—prescription prod—Irwin Gerson, president; Anthony D'Onofrio, senior vp; Joseph Carobene, vp-acct super; Irving Swab, acct super.

Ogilvy & Mather, New York—Chlor-Trimetron, Fibre Trim, new prod—Doug Bruce, senior vp-mgmt super.

Rolf Werner Rosenthal, New York—prescription prod—Rolf W. Rosenthal, president-ceo; Ronald J. Souza, senior vp-dir, client services; Phil Brady, vp-acct group super; Paul Schnieder, acct super.

Warwick Advertising, New York—St. Joseph's prod, Duration, Sardo, Artra, Sulfer-8 line, Black & White line, QT Prod, Correctol laxatives, Mexsana medicated powder, Aspergum, Sudden Tan—Charles Levy, mgmt super.

Jos. E. Seagram & Sons

New York

RANK 70

($ figures – 000,000)

Worldwide	1985	1984	% chg
Sales	2,800	2,648	5.7
Net income	384	318	20.8
U.S.			
Sales	1,752	1,639	6.9
Operating profits	37	33	12.1
Advertising	116	120	-3.2

Joseph E. Seagram & Sons, New York, a subsidiary of Seagram Co. Ltd., Montreal, was the 70th largest national advertiser in 1984 with estimated national advertising of $115.8 million, a decrease of 3.2%.

Worldwide sales for fiscal 1985 ended Jan. 31, 1985, for the parent, were $2.8 billion, an increase of 5.7% over 1984 sales of $2.65 billion. Net income rose to $383.6 million, including $141.4 million in dividends received from the company's holding in E.I. du Pont Nemours & Co.

It is this holding in Du Pont that may be as much Seagram's future as its distilled spirits. Seagram, in fact, is setting aside this dividend stream to buy more Du Pont stock, edging its holdings up from 20% in 1981 to the current 22.5%.

As the world's largest producer of distilled spirits and wines, Seagram Ltd. markets some 175 spirits and 300 wines, champagnes, ports and sherries. Like all companies in the field, Seagram has been feeling the lingering effects of the recession, coupled with intense competition for consumers no longer as inclined to drink alcohol as they once were.

The company, like others in the business, is likely to feel a slight tremor this October when the federal excise tax on liquor will be increased 19%, adding about 30¢ to the price of a fifth. The industry estimates the tax could reduce revenues by as much as $74 million—and that decline coming on top of another sluggish year predicted for 1985. The company has re-evaluated its marketing strategy, and this January initiated a sweeping reorganizaton of its U.S. operations. The move eliminated two operating units and roughly 200 sales and marketing people in a move to make Seagram into a leaner marketing entity.

The Seagram reorganization, which took effect Feb. 1, dissolved Calvert Distillers and General Wine & Spirits in favor of two new strategically separate companies, 375 Spirits Co. and Perennial Sales Co. Both Seagram Distillers Co. and Summit Sales unit remained, but with redefined mandates.

"Under the new approach, our sales companies and brands will no longer compete with one another," Mr. Bronfman said at the time the move was announced. "Instead they will be guided by a comprehensive, integrated company-wide marketing strategy."

The plan calls for Seagram Distillers to market those brands carrying the Seagram name—ergo, Seagram gin and imported vodka—as well as other high-volume items: Seagram's V.O. Canadian (Ogilvy & Mather), Crown Royal Canadian, Kessler whisky (Warwick Advertising) Captain Morgan's spiced rum (North Castle Partners) and Leroux cordials (Warwick).

For its part, 375 Spirits, named for the Seagram corporate headquarters located at 375 Park Ave., will market such premium and super-premium products as Chivas Regal scotch (Doyle Dane Bernbach), Glenlivet single malt scotch (Warwick) and Jameson whisky (Doyle Dane Bernbach).

The name of the new unit, Perennial, reflects its product base—those that have been around for a long time, and have steady, loyal followings—such as Calvert Extra and Wolfschmidt vodka, which maintain pockets of strength regionally.

For the first time, the company's new product development will fall outside the domain of the various sales companies, previously responsible for their individual efforts. In addition, the test-marketing function has been transferred to the new products development group.

The allocation of Seagram ad dollars will be affected—in some cases to a large degree—by the restructure, as will brand development activities, as the company is jettisoning a scattershot marketing approach for one targeting support for fewer products.

The move, which eliminated some 200 overlapping sales and marketing positions, resulted in some key top management changes at Seagram. Martin Bart, formerly president of Calvert Distillers, replaced Walter Haimann as president of Seagram Distillers. Mr. Haimann has since retired from the company.

Seagram has made news this year in other ways. In March, the company approached the three tv networks with a proposal to go on the airwaves with a Warwick Advertising-created ad campaign equating the alcohol content of a typical serving of beer, wine and alcohol. All three networks declined to run the advertising on the grounds that it violated their policy banning advertising for alcohol on the airwaves.

Seagram was not amused and in early April commenced a 90-day, $5 million print campaign in 75 major metropolitan areas chastising the networks for their decision. Daily newspapers and newsweeklies bore the ads.

Headlined "It's time America knew the facts about drinking," the campaign asserted that "It's time ABC, CBS and NBC let the facts be heard." As in the equivalency ads rejected by the networks, copy and visuals stressed that "12 ozs. of beer, 5 ozs. of wine and 1.25 ozs. of liquor all have the same alcohol content."

In addition, the distiller filed a formal complaint with the Federal Communications Commission accusing the networks of violating the Fairness Doctrine, which requires them to present all valid viewpoints on controversial issues. Although the networks have continued to stalemate Seagram's attempts to broadcast its equivalency campaign, the company's vocal activities have positioned it as a catalyst in reversing negative public opinion vis-a-vis alcohol.

According to the 1984 "*Impact* American Distilled Spirits Market Review and Forecast," Seagram last year was the leading distilled spirits advertiser in the U.S., despite the fact that the company has slashed its advertising dramatically over the past two to three years. Seagram's financial commitment is more than twice that of the No. 2 marketer, Hiram Walker Resources.

Seagram's cut in advertising has clearly hurt magazines the most. In 1984, spending in the medium dropped 16.9% to $37.9 million. Among those budgets cut most sharply was Seagram's V.O., down 19% to $6 million. In 1984, magazine advertising for V.O. was 62% of its budget compared with 84% of its budget in 1983. Although maintaining the No. 8 position among distilled spirits in the U.S., V.O. declined slightly to 3.3 million case depletions in 1984.

By the same token, Seagram's gin, the No. 9 U.S. brand, declined from 3.4 million to 3.3 million case depletions. Recently, the company has started a new campaigned themed "Everything they say is true" for Seagram's gin, via newly selected agency Mingo Jones.

With 5.4 million case depletions, Seagram's 7 Crown is the No. 3 largest U.S. selling spirit brand, and the No. 1 whisky. No. 1 regardless of liquor type is Bacardi Imports' Bacardi rum, and No. 2 is Heublein's Smirnoff vodka.

Both of the top two brands, however, have suffered sales declines in the past two years. Seagram's 7 Crown, however, suffers more sales erosion than most of heavy hitters. In 1984, it had a 4% decline in depletions to 5.2 million from 1983, according to "*Impact*."

Measured advertising for the brand, according to the six-media monitored by Leading National Advertisers, was $6.4 million in 1984, a drop of 6%.

In 1984, Seagram's major new spirits introduction was Royal Paisley scotch, which the company is positioning as a lower-price alternative with a a premium cachet. Although costing $11 per bottle—about the price of J&B, Johnnie Walker Red, Cutty Sark and Dewar's White Label—Royal Paisley borrows heavily from the high-brow aura of Chivas Regal, Seagram's ultra premium entry that is the fifth best selling scotch in the U.S.

Seagram is now reaping the benefits of its 1983 purchase of the Wine Spectrum from Coca-Cola. In the deal, Seagram acquired the popular Taylor California Cellars line, the Taylor New York State brands and the California wineries of Sterling Vineyards and Monterey Vineyards. The sale, which immediately made Seagram the No. 2 wine producer behind E. & J. Gallo, also gave the company adrenalin via growth oriented brands.

In fact, earlier this year, Seagram Wine Co. introduced a line of blush wines under the Taylor name, a move the company feels will give it pioneering momentum in the blush wine category, which to date has been limited to more expensive varietals.

Although California currently accounts for some 85% to 90% of U.S. wine sales, the over-all performance of California wines—like those of the market in general—has been sluggish. For one thing, the wine boom as a hot consumer trend ended in the 1970s; for another, California has produced two bumper crops since 1980.

But there is good news. Wine coolers have emerged as the hottest thing since the white wine spritzer, and over the last year, Seagram has entered the market with Seagram Wine Coolers, backed by heavy ad spending and a campaign that positions the drink as perfect for outdoorsy, young and on-the-go consumers.

Seagram's allocated many of their other wine products larger ad budgets: B&G Imported, $1.5 million; Black Tower Wine, $3 million; California Cellars, $8.6 million; Great Western, $1.2 million; Partager Wine, $1.5 million, and Paul Masson, $6.8 million.

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ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	9,426	8,477
Magazines	37,918	45,643
Network cable	134	77
Spot tv	8,917	7,233
Network tv	13,415	10,740
Spot radio	246	65
Outdoor	16,772	15,767
Total measured	86,827	88,001
Total unmeasured	29,000	31,680
Estimated total	115,827	119,681

JOS. E. SEAGRAM & SONS INC.

375 Park Ave.
New York, N.Y. 10152
(212) 572-7000

Marketing Personnel

Edgar M. Bronfman, chmn
Philip E. Beekman, president
David G. Sacks, exec vp-finance & admin
Stephen E. Banner, legal counsel to the corp
Jerome S. Mann, senior vp
Robert Beller, vp-mkt rsch
Leslie Bluhn, vp-rsch & devel
John L. Brady, vp-pr
Wesley, A. Corner, vp-packaging
Edward Falkenberg, vp-controller
William K. Friedman, vp-corp affairs
Alain deGunzburg, vp-acquisitions & devel
Richard K. Goeltz, vp-finance
Marc Henrion, president, worldwide wine operations
John Huston, vp-special projects
Kenneth Levine, vp-government affairs
M. Jacqueline McCurdy, vp-industrial relations
Russell W. McLauchlin, vp-quality control
John A. Minor, president, St. Regis Vineyards
Daniel R. Paladino, vp-genl counsel
C. Richard Polzello, vp-admin
Bernard Stolbof, vp-OUTCO/dir-media services

HOUSE OF SEAGRAM

Marketing Personnel

Edgar Bronfman Jr., president
Peter Dimsey, exec vp-mktg
Paul J. Tillotson, senior vp-dir, new prod
Michael R. Stagliano, vp-control states relations

SEAGRAM DISTILLERS CO.

Marketing Personnel

Martin H. Bart, president
Frank J. Arcella, exec vp-sales
Thomas K. McInerney, exec vp-mktg
Victor S. Samaha, vp-admin
Richard D. McCarthy, John L. Chadwick, Barbara Rakov, vps-group prod dirs
Donald R. Keeton, vp-natl chain store mgr
James Spillane, vp-natl programing
Fred Rothstein, vp-mktg services
Prod Mgrs: Carl Horton, Seagram's gin; Vincent Partridge, Royal Crown; Ellice Matsil, Seagram's V.O.; Peter Angus, Seagram's Imported Vodka; Peter Mihalos, 7 Crown; Robert Dubin, Kessler whisky; Tony Bongiovanni, Leroux cordials; Robert Warren, Captain Morgan spiced rum; Gil Solnin, Seagram's Canadian Hunter
Jules Erwin, mktg communications dir
David Grossman, dir-mktg analysis
Eileen McMahon, group sales promo mgr
James J. Schiro, operations mgr

375 SPIRITS CO.

Marketing Personnel

Seymour L. Leikind, president
Richard Basser, exec vp-sales
Richard P. Shaw, exec vp-mktg
Andrew Harmon, vp-natl devel mgr
Robert A. Watkins, vp-natl programing
Robert Vosswinkel, vp-admin
Rodger De Sarno, Jonathon Giesberg, Angelo Vassallo, vps-mktg
Prod mgrs: Mark Gothberg, Royal Paisley, The Glenlivet; Martin Johnson, Myers's rum; Laurie Rovner, Dr. McGillicuddy's; Jerry Greenstein, Mumm VSOP Cognac; John Hartrey, Chivas Regal; Peter Bucci, Royal Salute, Jameson Irish whisky
Robert Regulinski, dir-mktg analysis
Jeff Grossman, budget mgr
Andreas Panagis, operations mgr
Robert Dow, Arthur Kayser, sales promo mgrs
Dorothy Lebach, pr mgr

PERENNIAL SALES CO.

Marketing Personnel

Robert Monroe, president
James Reichardt, exec vp-sales
Mark Taxel, exec vp-mktg
Tom Collins, vp-admin
Mike Ford, vp-mktg services
Joseph Buckhalter, natl programing mgr
Prod mgrs: Dennis Brophy, Lord Calvert; Deborah Chertok, Tuaca Liqueur & Passport scotch; Fred G. Ronai, Burnett's gin, Ronrico rum; Patricia Oehler, Calvert Extra; Errol Holt, Nikolai, Wolfschmidt, Crown Russe vodkas, Calvert Extra
Robert Zukowski, operations mgr
Al Sanchez, budget mgr
Patricia Oehler, sales promo, adv mgr

SUMMIT SALES CO.

Marketing Personnel

Sheldoon Katz, president
Robert Taylor, vp-dir-admin
Thomas Cekay, sales mgr
Patrick Norris, sales mgr
Lynn Snodgrass, operations mgr

SEAGRAM WINES CO.

Marketing Personnel

Richard L. Maher, president
C. Richard Coffey, exec vp-sales
Jay Morris, exec vp-mktg
Anna G. Resnick, exec vp-finance & admin
Jason Drapkin, vp-merch dir
John Oliver, pr dir
Robert Roos, export dir
Glenn Wilen, mktg analysis dir
Louis Keyes, Kevin MacDougall, Henry Hawley, Jim Erlick, prod group dirs

SEAGRAM VINTNERS

Includes Seagram Classics Wine Company and Seagram Chateau & Estate Wines Company.

Abdallah H. Simon, chmn

SEAGRAM CLASSICS WINE CO.

Sam Bronfman II, president
James L. Bareuther, exec vp-mktg & sales
John Agate, prod group dir, Mumm, Domaine Mumm
Arnould Despointes, prod group dir, prod group dir, Bersano, Brolio, DeMontal, B&G, Kayser
Bernard Ganter, dir, Mumm North America
Barbara Edelman, pr dir
George Sandeman, prod mgr, Sterling Vineyards, The Monterey Vineyard, California Boutiques

SEAGRAM CHATEAU & ESTATE WINES CO.

Marketing Personnel

Abdallah H. Simon, president
David S. Milligan, exec vp-sales & mktg
Maurice Lartigua, senior vp
John W. Laird, vp-mktg
Charles K. Frankel, vp-finance & admin

Advertising Agencies

Conill Advertising, New York—The Glenlivet, Chivas Regal—Trancisco Garcia, media coord; Fernando Garcia, acct exec.

Della Femina, Travisano, New York—mixers—Ed Todeschi, group dir; Bill Keeshan, mgmt super; Tom Furlong, assoc media dir.

Doyle Dane Bernbach, New York—Chivas Regal scotch, Jameson Irish whisky, Royal Paisley scotch, Royal Salute scotch, Calvert Extra, Crown Russe vodka, Ronrico rum, Passport scotch, Lord Calvert Canadian, Paul Masson, Partager, B&G French wines, Mumm champagnes—Martin Kreston, exec vp; Stephen Donenfeld, senior vp-mgmt super; Herbert Jacobs, vp-acct super; Ardean Fishman, acct super; Lorraine Arado, Jean Stroh, acct exec; Jospeh Trombino, vp-acct super; Hope Kaye, acct exec.

William Esty, New York—Myers's rums, Myers's Original Rum Cream, Wolfschmidt vodka, Burnett's gin, Gold Seal, Henri Marchant, Seagram's Cooler, Partager, Black Tower, Prego, Ricasoli Italian wine, Bersano Italian wine, Kayser German wine—Robert Suhr, senior vp-acct mgmt; John Scott, senior vp-mgmt super; Carlo Demetrio, acct super; Bob Admas, acct exec; Karen Helle, asst acct exec.

Kenyon & Eckhardt, New York—Taylor California Cellars, Taylor New York, Great Western, The Monterey Vineyard/The Seagram Classics Wine Co., Sterling Vineyards, Brolio Italian wine—Regina Resnik, acct exec; Thomas S. Jasinski, vp-mgmt super; Thomas M. McDonough, senior vp-mgmt rep.

Mingo-Jones, New York—Cherry Kijafa, Something Special scotch, Seagram's gin—Samuel Chisholm, vp-mgmt super; Roland Chandler, vp-mgmt super; Marla Currie, Martin Fortes, acct supers; Ray Brown, media dir.

North Castle Partners, Greenwich, Conn.—Captain Morgan spiced rum, Mumm VSOP cognac, Dr. McGillicuddy's Mentholmint schnapps—Len Ferraguzzi, exec vp; Evelyn Coghlan, Bob Pallota, vp-acct supers; Chris Angelus, acct exec.

Ogilvy & Mather, New York—Seagram's V.O., Glen Grant—Norman Berry, president, N.Y. office, creative head worldwide; Clifford Angers, senior vp-acct group dir; Michael Newbrand, mgmt super; Adam Sunderland, acct super; Harold Sogard, acct exec.

Warwick Advertising, New York—Seagram's 7 Crown, Crown Royal, Seagram's Canadian Hunter, Seagram's Imported Vodka, Kessler whisky, Leroux cordials, The Glenlivet scotch, Nikolai vodka, Tuacu Liqueur, Multi-brands—James Driscoll, exec vp; Mike Graham, senior vp; Leon Hanson, vp; Walker Berwick, vp-mgmt super; Peter Black, mgmt super, 7 Crown, Crown Royal; Joe Friel, mgmt super, vodka overseas; Teddy Strain, acct exec; Alan Goldberg, acct exec, 7 Crown; Bart Henderson, acct exec, vodka; Rick Booth, acct exec, Crown Royal; Jaime Kelly, asst acct exec; John Meskil, exec vp-media & admin; Richard Rock, senior vp-media dir; Jerry Seuferling, group mgmt super, Crown Royal; Diane Metzler, media super, 7 Crown; Larry Loiello, media super, vodka; Lou Costa, media super, Crown Royal; Peggy Murphy,

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Now, with database marketing available, older marketing techniques that relied on intuition are fast becoming obsolete. Today it's no longer necessary to commit a major portion of the marketing budget to a campaign designed by hunch (and pray the campaign was inspired).

With database marketing, companies are effectively:

- Segmenting market audiences to identify their most profitable customers and best prospects;
- Testing many marketing and advertising ideas to determine which work best before committing their marketing budgets to full-scale campaigns;
- Communicating with their market in a highly-personal way. A way that builds longer-term, more valuable customer relationships;
- And measuring campaign results scientifically, with the intention of improving marketing strategy and advertising tactics in the future.

What Can Database Marketing Do For You?

Nearly all companies could use database marketing. Some really shouldn't be without it. Typically they're companies with large computerized lists of customers and prospects who sell products that generate repeat purchases.

If your business fits that general definition, you can take full advantage of database marketing's many important benefits.

Pan Am did. Its frequent flier program is one of the best examples of what an integrated database marketing program can do.

By tracking the mileage and purchases of its best customers — and rewarding those customers with discounts and free tickets — Pan Am has built brand loyalty worth many millions of dollars each year.

Information gathered from customer records and market research lets the airline communicate directly to segments with specific interests (regular fliers to London, skiers, etc.)...and target special promotions to each of them.

With your present knowledge of your company's operation — and a little imagination — you can probably think of some profitable database marketing applications on your own.

But why not leave that to the experts.

Where Do You Go For The Best?

You'll find everything you'll need at Epsilon...The Database Marketing Company.

Epsilon was specializing in database marketing before the phrase was even coined. Long before it became marketing and advertising's fastest growth area.

For over 15 years, Epsilon has been the leader in merging sophisticated database technology with modern direct response techniques. Defining what database marketing has become — and where it is going.

In the process, we've helped our clients establish ongoing, personal communications with each of their individual customers. (Even when those customers number in the millions).

Epsilon is the only company to offer businesses the right combination of managerial, technical, creative and production services that's essential for truly successful database marketing ...all under one roof.

Epsilon's ability to provide totally-integrated, measurable, database marketing is a very important advantage to our clients. It could be for you too.

So why not join Pan Am, Texas Instruments, Emery Worldwide and over 100 other companies who've discovered the easy answer to the Database Marketing question.

It's easy to do. Just call John Groman, Senior Vice President, at **617-273-0250.** Or mail the reply form below and we'll rush you a copy of our **Database Marketing Kit.**

epsilon

The Database Marketing Company

50 Cambridge Street
Burlington, Massachusetts 01803
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Epsilon, 50 Cambridge Street, Burlington, MA 01803

media super, overseas; Luciele Fucas, media planner, 7 Crown; Kit Nugent, media planner, vodka, overseas; Steven Soldano, media planner, Crown Royal.

Sears, Roebuck & Co.

Chicago

RANK 3

($ figures – 000,000)

Worldwide	1984	1983	% chg
Sales	38,828	35,883	8.2
Net income	1,455	1,342	8.4
U.S.			
Sales	35,885	32,637	10.0
Operating profits	1,449	1,359	6.6
Advertising	747	726	2.9
Division sales			
Sears merch.	26,508	25,089	5.7
Allstate Insurance	8,989	8,124	10.7
Dean Witter	2,496	2,108	18.4
Coldwell Banker	826	704	17.3
Sears World Trade	189	79	139.3

Sears, Roebuck & Co., Chicago, the nation's largest retailer, ranked No. 3 among national advertisers, increasing U.S. ad spending 2.9% in 1984, to a total estimated $746.9 million.

The figure does not include the cost of producing its annual catalog.

Worldwide, Sears spent $925.1 million, compared with $898.8 million in 1983, according to the company, which places Sears No. 2 in worldwide spending among U.S. companies behind P&G's estimated $1.09 billion. Sears generates 89% of its sales in the U.S., while 77% of P&G's sales are domestic.

Sears, the company where "there is more for your life," services 40 million customers in its five operating units: Sears Merchandise Group, Chicago, which operates 796 retail department stores and 1,119 catalog outlets in the U.S.; Allstate Insurance Group, Northbrook, Ill., which sells property-liability, life and commercial insurance; Coldwell Banker Real Estate Group, Los Angeles, a nationwide real estate company; Dean Witter Financial Services Group, New York, a stock brokerage and consumer deposit and lending operation, and Sears World Trade, a Chicago-based, import-export consultancy.

Allstate, Coldwell Banker and Dean Witter together operate as the Sears Financial Network in 300 Sears retail stores.

Revenues for the company increased 8.2% to $38.8 billion in 1984. Net income rose 8.4%, to $1.46 billion, though operating income dropped 12.1%, to $1.55 billion.

A slowing economy and a highly competitive marketplace slowed Sears' growth in the first half of 1985. While revenues climbed 4.5% to $18.6 billion, net income fell 14.2% to $488.8 million.

The Sears Merchandise Group's retail, credit and international operations in 1984 constitute 68% of the company's total revenues and 62% of its net income, making it by far the largest of Sears, Roebuck & Co.'s units.

The division reported 1984 revenues of $26.5 billion, up 5.7% from 1984, and posted net income of $905 million, a 16% increase from a year earlier. For the first six months of 1985, the merchandise unit reported net income of $214.3 million, a 27% drop, on flat revenues of $11.87 billion vs. $11.86 billion in 1983.

The group in 1984 also accounted for most of the $237.4 million in measured media monitored by Leading National Advertisers. Newspaper display ads, inserts and spot radio are not included in the Leading National Advertiser total. The company says its merchandise group spent $726.2 million in 1934 advertising.

Last November, G. Joseph Reddington was promoted from vp-marketing for Sears Merchandise Group to senior vp-administration and planning. Succeeding Mr. Reddington as vp-marketing was Wayne Holsinger, formerly national merchandising manager-apparel.

Other operating units and their respective measured media spending include: Allstate Insurance Group, which posted revenues of nearly $9 billion, up 11% from 1983, and net income of $661 million, up 19% from a year earlier. Allstate spent $29.2 million in national measured media, up 14%.

The Coldwell Banker Real Estate Group generated $826 million in revenues, a 17% increase over 1983, and earned net income of $76 million, a 58% jump over 1983, when the division reported an 8.7% decline. The real estate unit spent $3.2 million in measured media, up 44% from $2.2 million.

Dean Witter Financial Services Group posted 1984 revenues of $2.5 billion, up 18%, while the division posted a net loss of $33 million, compared with a year-earlier gain of $100 million. The company attributed the loss to an "unfavorable securities market environment." The unit spent $7.3 million on measured advertising in 1984, a 3% decline from 1983.

Sears World Trade, completing its second full year of operation in 1984, posted $189 million in revenues, a 139% increase, but increased its net loss to $25 million from $12 million in 1983.

Perhaps the most significant of Sears' activities so far in 1985 has been the debut of its long-awaited Discover credit card, which the company believes will compete with MasterCard, Visa and other financial-service credit cards. Discover, to be issued by Sears' Greenwood Trust Co. in Delaware, will be operated by the Dean Witter group.

Discover will be offered with a low annual fee, though interest will be charged as is the case with bank credit cards.

The card will grant Sears customers access to automated teller machines, enable them to deposit checks by mail, and provide access to money-market and brokerage accounts. It also will be accepted at Sears stores (along with the original Sears credit card) and at merchants nationwide.

So far, companies including American Airlines, Budget Rent-a-Car, Denny's restaurants, Hilton Hotels, Holiday Inns and Hospital Corp. of America and Pizza Hut have agreed to honor the card, which entered test market this fall in Atlanta and San Diego. National rollout in the spring is expected. J. Walter Thompson USA, Chicago, handles the estimated $20 million advertising budget for Discover. (Nearly 63 million original Sears cards are outstanding, with about 28 million in active use.)

Other recent developments include two tests by Sears of smaller, specialty-store formats in markets with populations of less than 100,000. The first test store, opened Feb. 1, 1985, in Alma, Mich., is an 8,300-sq.-ft. unit containing hardware, paint, appliances, electronics and a catalog office. Another such store was opened in Monroe, N.C., and two more are expected in 1985, though the company would not disclose locations. Sears says it will add 50 of the smaller hard-lines stores each year beginning in 1986, through remodeling of existing stores or construction of new ones.

The second test store emphasizes home fashion and apparel in 35,000 sq. ft. The prototype store will open in 1985 at an undisclosed location, and the company hopes to add 15 more per year to its system beginning in 1986.

Both tests seek to improve Sears' position in smaller markets, where it historically has lagged behind rivals J.C. Penney Co. and Montgomery Ward & Co.

Meanwhile, Sears continued its "Store of the Future" retail and marketing concept, with 110 stores added or remodeled at the end of 1984. The company expects to have 206 such stores in operation by yearend 1985, and 600 units at the end of the five-year, $1.7 billion plan.

The company also has more than 100 stand-alone Sears Business Systems centers in operation, selling computer hardware, software and furniture.

Expansion plans initially called for 50 new stores to open in 1985, but growth plans have been scaled back to five new units because of uncertain conditions in the computer industry. Ogilvy & Mather, Chicago, handles advertising for the chain.

The company also has 11 Sears Paint and Hardware Centers, including nine in the Chicago area and one each in New York and New Jersey.

As the "Store of the Future" concept progressed, Sears placed increasing emphasis in 1984 on brand-name merchandise as it sought to distinguish its departments from those of other mass merchandisers. The concept calls for establishing boutique-style, stores-within-a-store. The company has opened or remodeled 155 such stores and expects to operate 206 by the end of 1985.

The merchandise group divides its retail advertising responsibilities into two areas: "Hard goods," including automotive, appliances, electronics and home improvements, handled by Ogilvy & Mather, Chicago, as are the Sears Business Systems centers; "soft goods," including apparel, home furnishings and general merchandise, handled by Needham Harper Worldwide, Chicago. Both agencies use the same tag line—"There's more for your life at Sears"—created by Needham in a "creative shootout" to develop an over-all image campaign. The company itself produces promotion-oriented newspaper display ads and free-standing inserts.

Last year, Sears unveiled a new, modernized logo, and its agencies continued a gradual process of updating tv advertising with a more stylized approach.

In separate developments, Sears continues its 4-year-old test of frozen-food home delivery service in Detroit, a joint venture with American Frozen Foods, Stratford, Conn. In June, 1985, Sears announced plans to test an electronic kiosk service, offering shoppers information about its financial services and selected merchandise. That test is under way in Atlanta, Chicago and San Diego stores.

Sears Financial Network, the combined financial services group, currently operates in 309 Sears stores. Advertising for the umbrella group began two years ago with spokesman Hal Holbrook and is handled by Foote, Cone & Belding, Chicago. The 1984 budget was $27 million.

Allstate continues to broaden its product lines and has added agent incentives to increase new business. It also plans to increase the number of outlets outside of Sears stores and to step up direct-marketing activity.

The Allstate group also publishes two magazines: *Discovery*, for members of Allstate Motor Club, and *Mature Outlook* for those 50 and older. Each offers its readers discounts from Sears' merchandise group and other divisions, as well as coupons from some outside merchants.

Coldwell Banker chairman-ceo C. Wesley Poulson resigned Aug. 29, 1985, to take early retirement. Sears named Arthur J. Hill to the post, pending approval of the board in October. Mr. Hill will move up from chairman-ceo of Homart Development Co., Coldwell Banker's real estate development unit. Coldwell Banker spent an estimated $3.2 million in measured advertising in 1984, up 45.5% from 1983.

Dean Witter, in addition to its Discover card responsibilities, also has broadened the customer base for its securities brokerage service. The unit has placed more emphasis on business development through Sears Financial Network centers located in Sears' retail stores. Its purchase of two banking operations also permits Dean Witter to engage in consumer deposit and lending activity. It hopes also to attract first-time securities investors through customer service and an improved research program.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	21,919	33,630
Network cable	3,120	2,566
Spot tv	33,552	29,316
Network tv	172,446	145,007
Spot radio	10,078	5,497
Network radio	8,630	10,629
Outdoor	332	339
Total measured	250,077	226,982
Total unmeasured	496,860	498,818
Estimated total	746,937	725,800

SEARS, ROEBUCK & CO.
Sears Tower
Chicago, Ill., 60684
(312) 875-2500

SEARS MERCHANDISE GROUP

Marketing Personnel

William I. Bass, chmn & ceo-merch
Joseph Batogowski, senior exec vp-merch
G. Joseph Reddington, senior vp-admin & planning
Wayne T. Holsinger, vp-mktg
Ralph Hoch, natl retail genl merch mgr
Theodore Weldon, natl catalog genl merch mgr
William Corn, natl retail adv mgr

Advertising Agencies

Vince Cullers Advertising, Chicago—black consumer adv—Jeffery Cullers, mgmt super.

Hispania Advertising, New York, subsidiary of J. Walter Thompson USA—Caroline Demy, senior vp-genl mgr; Chicago—Marta Perez Gerdez, Daniel Nance, acct reps.

Needham Harper Worldwide, Chicago—apparel, home fashion, merch group. Apparel—Tom Harft, mgmt rep; Carole Black, acct super, apparel; Mike Baker, acct exec, menswear; Dawn Reithel, acct exec, womenswear; Catherine Herrman, acct exec, children's apparel. Home fashion—Nancy Bernstein, acct super; Peggy Anderson, acct exec. Merchandise Group—Mike Baker, acct exec.

Nelson-Woodward Inc., Chicago—Yellow Pages adv—Garry Woodward, acct exec.

Ogilvy & Mather, Chicago—hard lines, Sears Business Systems centers—Bill Whitney, senior vp-mng dir; Allan Mager, senior vp-group mgmt super. Sears Business Systems Centers—Robert Vail, vp-mgmt super; Ole Riise, acct exec. Automotive & appliances—John Seifert, vp-mgmt super; Don Campbell, acct super; Jeff Totaro, acct exec; Arthur Schulbaum, vp-acct super; Brenda Miller, acct exec. Home improvements—Robert Carleton, vp-mgmt super; Dan Delaney, acct super; Paula Serios, acct exec.

Stern Walters/Earle Ludgin Inc., Chicago—Sears catalogs & contract sales—Tom Radloff, vp-acct super; Maryenne Friend, senior vp-mgmt rep.

Stone & Adler Inc., Chicago—direct mktg—Catherine Bartholow, vp-mgmt super.

SEARS FINANCIAL NETWORK

Marketing Personnel

Donald Holmes, mktg mgr

Advertising Agency

Foote, Cone & Belding, Chicago— Paul Vernon, senior vp-group acct dir; Lance Hecker, vp-acct dir; Sheri Kramer, acct exec; Pat Medintz; vp-group media dir.

ALLSTATE INSURANCE GROUP

Marketing Personnel

John K. O'Loughlin, senior exec vp
John Flieder, asst vp-adv
Terry Tuzzolino, ad dir
Edward R. Kuby, vp-prod mktg
William Henderson, vp-mktg sales
Edward J. Dixon, asst vp-mktg sales
Richard C. Morrisse, asst vp-mktg sales

Advertising Agency

Leo Burnett USA, Chicago-Ron Sims, acct dir; Nancy Voorhees, Ashton Lee, acct super; Tim Pretzsch, Susan Ball, acct execs.

COLDWELL BANKER
REAL ESTATE GROUP

Marketing Personnel

Fred Morasche, vp-mktg

Advertising Agency

BBDO/West, Los Angeles—Patrick Rogge, acct mgr; Karen Sharp, acct super; Madeline Greenberg, acct exec.

DEAN WITTER FINANCIAL
SERVICES GROUP

Marketing Personnel

Carl Hulick, exec vp-mktg dir
William Walsh, vp-dir adv
Ernest Campo, dir-adv, Discover Card Service Inc.
Richard Wright, vp-mktg, Sears Savings Bank, Glendale, Cal.

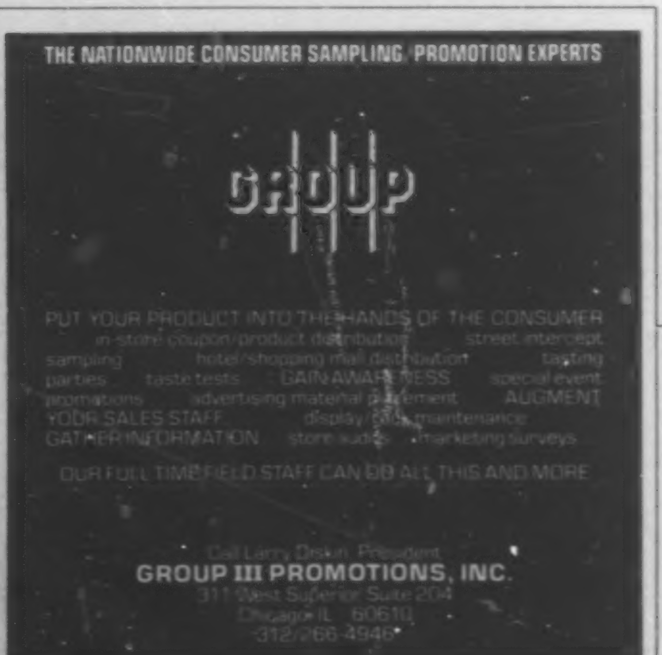
Advertising Agencies

BBDO, New York—corp tv work for Dean Witter brokerage—Kenneth Rogers, exec vp; Doremus & Co., New York-tv & print prod adv—George Preston, senior vp; Audrey Zamler, senior acct exec; Wendy Yeager, acct exec.

BBDO/Direct, New York—direct mktg—Charles Moser, senior vp.

Greyhound's struggles

Greyhound Corp. began 50 years ago in Minnesota by transporting miners to and from work across the Mesabi Iron Range. Now unemployment is skyhigh at the Mesabi fields in northeast Minnesota, and Phoenix-based Greyhound is paring its workforce because of lower bus ridership and competitive encroachment by smaller operators.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When you're hot you're hot!
11 million readers with the highest median earned income of all magazines with more than 10 million readers. Talk to them!
Source: 1985 Spring MRI
U.S.News

J. Walter Thompson USA, Chicago—Discover Card Service Inc.—Bruce Beach, senior vp-group acct dir; Bill Hooe, senior vp; Dinny Cosyns, acct dir; Nancy Limberg-Meyer, Michael Kahn, Dawn Walsh, Thomas Condon, acct reps.

Sterling Drug

RANK 45

New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	1,827	1,850	-1.2
Net income	143	137	4.8
U.S.			
Sales	1,186	1,191	-0.3
Operating profits	169	167	1.2
Advertising	167	172	-3.2
Division sales			
Pharmaceutical	268	258	3.8
Proprietary prods.	273	298	-8.3
Household prods.	481	479	0.5
Chemicals/other	145	136	6.2

Sterling Drug, New York, the nation's 45th largest national advertiser in 1984 with $166.6 million in spending, suffered sales declines in two of its five operating groups in 1984, including international, and only marginal increases in the other three.

Sales over-all dropped 1% to $1.83 billion, as net income increased 4.8% to $143.0 million.

Of total sales, 38%, or $690.9 million, came from Sterling's international groups, up 1% from 1983 but far short of the 47% contribution in 1980. International sales were down 3% from the 1983 total of $710 million.

Estimated total U.S. advertising in 1983 dropped 3% to $166.6 million. Measured advertising fell to $113.5 million from $115.2 million.

Worldwide advertising and promotion costs were $336.4 million, down 3.4%.

The corporation's proprietary products group, which includes Bayer aspirin, Phillips' Milk of Magnesia, Panadol pain relievers and Diaparene baby products, was the big loser, dropping 8.4% in sales to $273 million, and operating profits declined 34.9% to $26.9 million.

Sales performances mirrored advertising expenditures for two of these products, Bayer and Panadol.

Bayer, which remained No. 2 in the $1.4 billion analgesics market, but with only 8% of the market, dropped in sales. Advertising expenditures also decreased 37.5% to $12 million. One Bayer ad in 1984 was a popup ad in *Woman's Day*. As readers opened the four-page unit in the Feb. 7 magazine, an extra fold of paper popped up, proclaiming "Only Bayer." The ad cost $400,000.

Panadol, on the other hand, grew in sales, aided by the introduction of Panadol products for children. Advertising jumped 67.2% to $20.4 million.

A print media campaign for children's Panadol, developed by SSC&B, claimed the product is the only line of children's liquid fever reducers free of alcohol.

Most children's fever reducers, the ad said, contain at least 7% alcohol. The campaign takes aim at Tylenol, which dominates both adult and children's analgesic markets.

Sterling and other aspirin makers ran into criticism from federal agencies in 1984 over a tv public service spot they sponsored. The Food & Drug Administration called it "misleading" for not pointing out medical authorities' belief that there is a connection between aspirin and Reye's syndrome, a potentially fatal children's disease. The Committee for the Care of Children, funded by Sterling and several other aspirin makers, refused to withdraw the ad, and the FDA sent out its own psas to some 10,000 radio and tv stations.

Sterling backed Stri-Dex medicated pads with $1.3 million, down from $2 million in 1983.

Sterling launched what is expected to be a $2 million ad campaign in baby magazines and on daytime network tv to support a new product, Diaparene Nursery Fresh aerosol room disinfectant. The line also includes baby wash clothes and powder.

Sales in the company's household and personal products group, the Lehn & Fink group, were flat in 1984, increasing only 0.5%, to $481.2 million. The group includes such products as Lysol, Love My Carpet, Mop & Glo, d-Con and Miniwax. Market shares for both Mop & Glo and Perk floor care products improvement in 1984.

Lysol disinfectants were the most heavily advertised Sterling products in 1984, although ad expenditures dropped 2.7% to $32.4 million. Among new Lysol products introduced with national advertising campaigns last year was Lysol Cling toilet bowl cleaner. D-Con insecticide products placed $5.7 million in advertising in 1984, down 24%. An extensive ad campaign was mounted for d-Con Exact, a roach and ant killer with a felt-tip "pen" dispenser.

Little advertising is done for Sterling's pharmaceutical specialties.

Three new Sterling products were approved for marketing by the FDA last year, including a drug for short-term treatment of patients with congestive heart failure.

Sterling in 1984 sold 11 over-the-counter drugs to Mentholatum Co., Buffalo, N.Y., and disposed of Zimpro Inc., its environmental control business, through a combination sale and donation to Michigan Technological University and its affiliate, Michigan Tech Ventures.

Other divestitures in 1984 included the sale of Nilok Chemicals, manufacturer of a product used in the production of an agricultural chemical; Sterwin Laboratories, a producer of poultry biologics, and Parfums Givenchy Inc., producer of fragrances. Early this year, Sterling sold Thompson-Koch Co., its in-house advertising agency.

In May, 1985, exec vp James G. Andress became president-chief operating officer, succeeding John M. Pietruski who was named chairman, replacing the retired W. Clarke Wescoe.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,380	288
Magazines	9,844	6,632
Network cable	117	333
Spot tv	16,583	24,375
Network tv	83,565	82,660
Spot radio	817	820
Network radio	1,189	0
Outdoor	11	71
Total measured	113,506	115,179
Total unmeasured	53,094	57,000
Estimated total	166,600	172,179

STERLING DRUG
90 Park Ave.
New York, N.Y. 10016
(212) 907-2000

GLENBROOK LABORATORIES DIVISION
Marketing Personnel

Robin D. Mills, president
John T. Whitmer, vp-mktg
Paul H. Kalikstein, vp-new prod
Albert R. Kelly, dir-mktg
Robert A. Pearlman, dir-mktg

Advertising Agencies

Cunningham & Walsh, New York—Phillips' line—James A. Friedman, vp-acct mgmt super; Roger D. Groves, vp-dir acct mgmt; Ian R. Gomar, acct exec.

Dugan/Farley Communications Associates, Montvale, N.J.—medical communications—John P. Dugan, president.

Font & Vaamonde (Spanish), New York—Bayer line, Phillips' line, Panadol—Pedro Font, president.

Marschalk Co., New York—Diaparene line—Barry R. Linsky, exec vp-dir acct mgmt; Peter A. Detels, mgmt super; Terry S. Levine, acct super; James Overand, acct exec.

SSC&B, New York—Bayer line, Panadol—Alan R. Grazio, exec vp; Elliot G. Dorfman, senior vp-mgmt super; Frederic S. Rubin, Mark S. Robinson, vp-acct supers; Stephen G. Barrett, acct super.

Warwick Advertising, New York—Stri-Dex—Wilder D. Baker, president; Sean Driscoll, senior vp-group mgmt super; Victoria M. Amon, vp-mgmt super; Sheldon W. Woodbury, acct super; Douglas E. Sweetbaum, acct exec.

LEHN & FINK PRODUCTS GROUP
Montvale, N.J.
Marketing Personnel

habit forming

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Rocky Mountain News
News' Building slated for completion Fall 1985

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Total Advertising Linage—Daily and Sunday

	Rocky Mountain News	Denver Post
1980	66,898,383	70,492,477
1984	87,311,422	69,773,955

Source: Media Records year end, 1980, 1984. Belden '84. ABC Publisher's Statement of average paid circulation for six months ending 3/31/85.

Make a habit of buying the Rocky Mountain News. Denver's readers do. Rocky Mountain News (303) 892-5411

Rocky Mountain News

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Personal Products division
Herb Waller, president
Peter Stearns, vp-mktg
Dean Reeves, natl sales mgr
Consumer Products division
Michael R. Gallagher, president
Richard Gaccione, vp-mktg
Joseph Healy, dir-mktg
F.M. Fox, vp-sales
Industrial Products division
S. Ray Mitchell, president
Stephen D. Hinden, dir-mktg
Donald Nowlin, vp-sales

MINWAX CO.
Clifton, N.J.
Marketing Personnel
Donald H. Henderson, president
Peter Black, exec vp
Ridgely W. Harrison III, vp-sales
Paul R. Righter, vp-construction prod div

The d-CON COMPANY
Montvale, N.J.
Marketing Personnel
Earle K. Borman, president
John J. McFadden, vp-sales dir
John Harwood, new prods dir
William Hogate, dir-new prod
Marvin Matises, dir-mktg
John Caputo, prod line mgr, rodenticides
Advertising Agencies

Avrett, Free & Ginsberg, New York—Pie Action—Jack Avrett, president; Barbara Hill, acct super.

Geers Gross, New York—Tussy, Ogilvie, Dorothy Gray—Don Kurtz, Dick Tarlow, deputy chairmen; Chris Hanson, exec vp; Joseph Pascale, vp-mgmt super; Ann MacLeod, acct exec.

Gilbert, Whitney & Johns, Whippany, N.J.—Minwax consumer & industrial prod—John Mimnaugh, exec vp.

SSC&B, New York—Lysol prods, Love My Carpet, Beacon Wax, Mop & Glo—Robert Wadsworth, exec vp; Elliot Dorfman, vp-mgmt super; Bruce Kravetz, John Barnes, vp-acct supers; Steve Barcan, acct super.

Thompson-Koch Co., New York—d-Con line, Rid-X septic tank condition, Energine line, House & Garden bug killer, Stay Away outdoor fogger, Warpath powder spray, Ant/Roach killer, Ant-Prufe, Four/Gone (indoor fogger), wasp & hornet killer, Double Power, Roach Traps—E.J. Eberie, acct super; John Klapmuts, Joshua Martin, acct execs.

WINTHROP-BREON LABORATORIES
New York
Marketing Personnel
Joseph Scarlata, president
Herbert E. Smith, vp-sales
Robert J. DeLuccia, vp-mktg, Winthrop prod
Advertising Agency

Robert A. Becker, New York—Talacen, Talwin NX, Talwin Injection—Norbert Lampert, vp-acct super; Edward Maitland, exec vp.

Frank J. Corbett Inc., Chicago—all Breon ethical prod—F.J. Corbett, mgmt super; John M. Alderman, acct super.

Kallir, Philips, Ross Inc., New York—Inocor I.V.—J. Kallir, president; N. Cooper, exec vp.

Lavey/Wolff/Swift, New York—Neg-Gram, Danocrine, Demerol, pHisoHex, Hypaque, Telepaque, Bilopaque, Amipaque—Charles Rockefeller, senior vp.

WINTHROP VETERINARY
Marketing Personnel
H. Dwight Koger, exec vp
Michael Beaudrias, prod mgr, ethical
Bron Zienkiewicz, prod mgr, otc
Advertising Agency

Sawyer, Riley, Compton, Gainesville, Ga.—veterinary pharmaceuticals & disinfectants, pet care prod—Louis Sawyer, acct exec; Richard Riley, acct super.

COOK-WAITE LABORATORIES
New York, N.Y.
Marketing Personnel
Larry A. Falls, president
W. McKinney Dean Jr., D.D.S, vp-dental dir
Jim Laufer, Mary Lee Belleville, div mgrs
Advertising Agency

Paul A. De Jesse Inc., Freehold, N.J.—Periograf, Alveograf, Carbocaine, Carbocaine with Neo-Cobefin, Marcaine with Epinephrine, other local anesthetic solutions, Carpule aspirator syringe, Greene Trans-View & Darc-View X-ray film mounts, Greene filmholders, record cards—Paul A. De Jesse, president.

Stroh Brewery Co.
Detroit

RANK 84

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	1,600	1,646	-2.8
Net income	N/A	N/A	N/A
Advertising	85	74	14.9

Privately held Stroh Brewery Co., Detroit, the 84th largest national advertiser, increased its ad spending 14.9% to $85.2 million in 1984.

Stroh's, with estimated sales of $1.6 billion, down 2.8% from 1983, is the nation's No. 3 beer maker behind giants Anheuser-Busch and Philip Morris' Miller Brewing.

Like the rest of the industry, it felt the effects of the decline in over-all U.S. beer consumption, the first such drop in almost three decades. Stroh's total shipments in 1984 were 23.9 million barrels from the combined production of seven breweries, a 1.5% decrease from 1983.

Stroh's share of the market was 13.4% in 1984, down from 13.5% the previous year as it continued consolidation after acquiring Jos. Schlitz Brewing Co. in 1982. It trails Anheuser-Busch with a 36% share (up from 33.6% in 1983), and Philip Morris' Miller Brewing with 21% (even with 1983).

During 1984, the brewer completed a national rollout of its flagship brand, Stroh's and Stroh Light, and increased its brand offerings with a second malt liquor and a low alcohol content beer. Silver Thunder malt liquor was presented to selected regions in August, 1984, as a flanker for the brewer's Schlitz malt liquor brand, the segment leader. Schaefer Low Alcohol, Stroh's first entry in the low-alcohol category, was introduced in Texas in July, 1984, and has expanded into other markets.

Stroh funneled its biggest ad expenditures in measured media into Stroh's beer—$32 million in 1984 vs. $19.8 million in 1983. Old Milwaukee got $16.4 million, up 16.3%; Stroh's Light took only $1.3 million, down from $10.8; Schaefer beer spending stayed even at $1.1 million, and Schlitz beer declined to $1.6 million, down from $2.9 million, although Schlitz malt liquor got a boost to $3.4 million from $2.7 million. Stroh spends 90% of its measured media spending on tv, primarily network.

Much of the news that Stroh brewed during 1984 and into 1985 was on the legal front. Stroh challenged tv advertising exclusivities, sued to stop another brewer's expansion plans, got embroiled in a dispute over the use of the term "LA," and lobbied to stave off the movement to ban beer and wine broadcast advertising.

Stroh took its complaint about product exclusivities to the U.S. Justice Department, which opened an investigation of network and local tv contracts with advertisers, under which an advertiser generally pays a premium for the guarantee it will be the sole sponsor of its kind during a particular program.

Stroh said network sports programing contracts with A-B and Miller prevented Stroh from gaining access to the most effective programing vehicles for reaching the beer target audience. The Justice Department issued a statement late last month backing the legality of the exclusive agreements between the networks and advertisers.

Stroh also dealt with the problem by hooking up with sports and events not already dominated by the big two. It entered a three-year sponsorship agreement with USA Cable Network for National Hockey League broadcasts and put up $200,000 in prizes for a new statistical category, "Stroh's Power Ratings" (an assessment of team penalty-killing and power-play effectiveness) intended to give Stroh access to news columns.

In addition, the brewer set out to create more of its own tv programing. Ohlmeyer Communications Cos., New York, developed "Stroh's Circle of Sports," an anthology show that debuted in June, 1985, on USA Cable Network and a broadcast tv syndicate. Ohlmeyer is expected to develop two or three projects a year for Stroh. These kind of ventures are expensive. Stroh's David Martin, exec vp-corporate media director, says the company is spending almost $200 million in 1985 on all advertising and sales promotions.

In April, 1984, A-B introduced LA brand low-alcohol beer in a dozen test markets, and when Heileman and Stroh introduced their own low-alcohol products, A-B sued to stop them from using the "LA" designation. A federal judge in May enjoined Stroh from using "LA," forcing Stroh to rechristen its Schaefer LA brew as Schaefer Low Alcohol.

In December, 1984, Stroh and Philadelphia-based C. Schmidt & Sons sued to stop the attempt by G. Heileman Brewing Co., La Crosse, Wis., to buy out Pabst Brewing Co., Milwaukee. The acquisition would have moved Heileman, the No. 4 national brewer, past Stroh. Stroh and Schmidt, arguing antitrust violations, won a temporary restraining order against the buyout. Pabst subsequently was acquired by S&P Co., Corte Madera, Cal.

'Also in December, Stroh officials met with top network tv executives to measure their resolve to stave off the movement to ban beer and wine broadcast advertising. The meetings were initiated by Stroh, which said it would not agree to run "matching" public service ads advocating moderation in alcohol consumption as a compromise.

During 1984, Stroh's strength was in the low-price but high-volume segments, with the Schaefer brand in the low end and Old Milwaukee in the popular price segment. Schaefer was taken national in October, leading to an increase in the brand's shipments of 22% for the year. Old Milwaukee, once an ailing regional brand, topped the popular price category and was the fifth best-selling American beer.

Major promotions for Old Milwaukee included sponsorship of Tim Richmond on the NASCAR race circuit, and a Play-for-the-Gold sweepstakes in which the winner received the weight of an Old Milwaukee six pack in gold. The contest drew 682,000 entries.

Shipments of the ailing Schlitz premium brand fell for the sixth straight year. Schlitz was positioned a little below the Stroh's flagship brand, also a premium. Stroh virtually abandoned advertising the Schlitz brand, except in some Texas markets with ads developed on contract by Point Communications, Dallas.

Stroh's and Stroh's Light brand sales were flat, despite the cult-like popularity of two humorous Alex the Dog commercials via Marschalk Co., New York. In early 1984 the spots were ranked by a tracking company as the third most popular on the air, even though it had been shown in only 65% of the country. Alex was retired as the Stroh spokesdog in July, 1984, because of worries that he might come to overshadow the product.

The first Stroh's Run for Liberty was held in October to help create awareness that Stroh had moved from a regional to a national brewer. The run was a merchandising tie-in to Stroh's $3 million sponsorship of the Statue of Liberty-Ellis Island restoration fund. About 150,000 runners took part, raising $500,000. The 1985 run is set for Oct. 12 in 127 cities and 15 military bases, with Chrysler Corp.'s Plymouth brand also a major sponsor.

Stroh brand sponsored other sporting events, including the 1984 Dallas and 1985 Detroit Formula One Grand Prix races, six American Motorcycle Assn. races and a series of American Board Sailing Assn. races.

Responding to the flat beer industry sales, Stroh set out to look for new niches, setting up a marketing hothouse headed by John Bissell to create new money makers in nonmainstream areas. Besides nonbeer products, Mr. Bissell's group also took over the Erlanger superpremium and Primo premium Hawaiian brands.

One of the group's first efforts was White Mountain Cooler, introduced in March, 1985, and quickly taken national in July. The citrus-flavored, 5% alcohol beverage uses beer-making technology, and competes in the growing cooler segment that also includes entries from other brewers, A-B, Coors and Heileman.

Stroh's diversification took another form with the January, 1984, establishment of its River Place Financial Corp., a limited-purpose bank to package loans for development projects along a 30-acre stretch of the Detroit River, where the brewer's corporate headquarters are located.

In September, 1984, J. Wayne Jones, vp-corporate marketing operations for Coca-Cola Co., Atlanta, moved to Stroh to handle the new post of exec vp-sales and marketing.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	632	767
Magazines	1,988	265
Network cable	1,524	649
Spot tv	12,924	14,304
Network tv	43,101	37,774
Spot radio	13,478	10,532
Network radio	0	826
Outdoor	3,206	1,313
Total measured	76,853	66,430
Total unmeasured	8,347	7,751
Estimated total	85,200	74,181

STROH BREWERY CO.
One Stroh Dr.
Detroit, Mich. 48226
(313) 446-2000
Marketing Personnel
J. Wayne Jones, exec vp-sales & mktg
Hunter Hastings, vp-brand mgmt
J. Hellweg, vp-mktg services
Dave Martin, vp-corp media
Marsha Atwater, dir-new prod
Ray Gross, dir, mkt rsch & planning
Mike Jaeger, dir-Stroh's/Stroh Light
Charles Powell, dir-Old Milwaukee/Old Milwaukee Light
Mike Mataro, brand mgr-Signature
Ed Kopecky, brand mgr-Goebel/-Schaefer/Piels
Tom Noble, brand mgr-Schlitz/Schlitz Light
Mike Porter, brand mgr-Schlitz Malt Liquor
Advertising Agencies

Badillo/Compton, San Juan, P.R.—Schaefer Export—Ernsto Freytes, acct exec; Jose Colon, acct exec.

BBDO, New York—Old Milwaukee, Old Milwaukee Light—Arnold Ross, mgmt super; Robert Gibralter, acct super; Lisa Partrick, acct exec.

Bermudez & Associates, Los Angeles—Hispanic adv—Eduardo Bermudez, ceo; Lloyd Lopez, acct exec.

Burrell Advertising, Chicago—black adv—Don Coleman, Julius Jones, vp-acct execs; Leroy Kemp, asst acct exec.

Marschalk Co., New York—Stroh's, Stroh Light—Stephen Bayer, exec vp; Paul Norwich, acct super.

MCA Advertising, New York—Schlitz, Schlitz Light, Signature, Schaefer and Schaefer Light—Richard Sellers, exec vp; Vic Sandham, vp-acct dir; Bill Schmermund, acct dir.

Ohlmeyer Communications, New York—special assignments—Don Ohlmeyer, ceo; Dean Heitler, president.

Wyse Advertising, Cleveland—Goebel, Goebel Light, Piels—John Jefferson, acct super.

Tandy Corp.
Fort Worth

RANK 38

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	2,840	2,737	3.7
Net income	189	282	-33.0
Advertising	190	157	21.1

Tandy Corp., Fort Worth, Tex., is the nation's 38th largest advertiser with an estimated total U.S. advertising expenditures of $190 million in 1984, representing a 21.2% increase over 1983 spending.

In Tandy's fiscal year 1985, which ended June 30, 1985, the company reported worldwide advertising expenditures of $237.8 million, up 7.4% from 1984 fiscal year advertising expenditures of $221.5 million.

Tandy has shown strong increases in advertising the past few years. Spending in fiscal 1984 was up 11.2% from $199.1 million spent worldwide in fiscal 1983, which, in turn, was 23.8% greater than the $160.9 million reported spent in fiscal 1982.

During calendar 1984, Tandy media spending was measured at $44.4 million, not including newspaper, direct mail, special events and other promotional expenditures, which make up the remainder of Tandy's total domestic budget.

Heavy competition, particularly in the personal computer marketplace, prompted Tandy to increase advertising expenditures to achieve sales gains in 1984. The year was plagued with rapid price changes in the microcomputer market, delayed introductions and limited availabilities of certain computer products, and extraordinary price cuts throughout Tandy's own line based on cost reductions and inventory shortages.

Tandy introduced its first IBM-compatible computers in late 1984, the Tandy 1200 HD and the Tandy 1000. Other computers introduced recently include the Tandy 6000, a multi-user business computer, and the Tandy 200 lap-top computer. A hard disc version of the Tandy 1000 was introduced in June, 1985.

Tandy's thrust into telecommunications was accelerated in fiscal 1985 with the opening of 83 telephone centers within existing Tandy computer centers, bringing the number of telephone centers to 108.

In the fiscal year ended June 30, 1985, Tandy reported net income of $189.1 million, down 33% from the prior year, on net sales of $2.84 billion, up 3.7% from fiscal 1984. Fiscal 1985 was affected by a plunge in profits in the third quarter. That drop was the result of a writedown of the Tandy 2000 computer and parts, which has not been a big seller, although it was introduced with great fanfare in November, 1983. The newer computers, the 1000 and 1200, are selling ahead of the 2000, which is not fully IBM compatible.

Fourth-quarter net income for fiscal

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(619) 588•9986

1985 fell 9% to $53.2 million on net sales of $652.1 million, up 7%.

However, powered by improved computer sales in July, 1985, and a rebound in earnings, Tandy has begun to emerge from its year-and-a-half slump. July, 1985, sales for Tandy's U.S. retail operations rose 15% to $174.9 million compared with the previous July. The company's total sales for the month rose 12% to $216.3 million.

Tandy attributed part of the turnaround in sales to the company's IBM-compatible Tandy 1000 and 1200 personal computers. In June, 1985, Tandy lowered the price of the Tandy 1000, from $1,199 to $999, making it the only MS-DOS (most common operating system for personal computers) available for less than $1,000. July, 1985, computer center sales responded by rising about 15% in contrast to a 12% decline the previous month.

Eugene Glazer, research analyst with Dean Witter of New York, says the strength in Tandy's computer operation is encouraging and puts the company back on an upward trend in its computer business.

Mark Manson, analyst with Donaldson, Lufkin & Jenrette of New York, says the real test should come as Tandy enters the fall selling period and moves toward Christmas.

Tandy also is diversifying its marketing strategy, which some analysts say could lead to Tandy becoming the largest chain of discount name-brand consumer electronics in the country. Tandy has not participated in the boom in brand name consumer electronics because of the house-brand marketing concept behind its Radio Shack stores.

But with the acquisition last April of Memphis-based Scott Appliances Group (24 stores) and the acquisition of American Home Video Corp. (207 Video Concept stores) from Jack Eckerd Corp. in early fiscal 1986, Tandy is adding a branded concept to its strategy.

For now, Tandy officials say, the acquired stores will remain autonomous and continue operating under their respective names, separate from Tandy's traditional Radio Shack stores. Thus far, Tandy has announced plans to open 12 to 15 McDuff Supercenters (one of three names under which Scott Appliance stores operate).

Other relatively new directions for Tandy include its strong move into the mobile cellular telephone market with its first cellular phone introduced in 1984 and several new products in the catalog for 1986.

Additionally, Radio Shack will make its own version of the satellite dish, "user installable," available through 4,800 company-owned stores, priced at approximately $1,999.

Although some analysts have hailed the new direction, some have been moderately critical of Tandy's Video Concept Stores acquisition, saying the new business will draw attention away from Tandy's established main lines.

And critics of the Video Concept acquisition point to the chain's reports of losses and reduced sales at a time when other chains were growing. But others say the undisclosed terms were favorable to Tandy, which reported it purchased American Home Video at a price at least $72 million (pretax) below the audited net book value of the assets as of Aug. 3, 1985.

Dean Witter's Mr. Glazer says that because of Tandy's long-term retailing expertise and financial strength, it "earns the benefit of the doubt" on the Video Concept venture. Mr. Manson views the acquisition as a "minor positive."

Tandy officials say that in the current fiscal year that began July 1, 1985, Radio Shack plans to continue its expansion with the addition of more than 100 full-line stores, about the same number added last year. Tandy also plans to open 50 Radio Shack computer centers and 50 telephone centers this year. Only one computer center was opened in fiscal 1985. Radio Shack has more than 7,000 stores in the U.S.

Computer related sales contributed 33.6% of 1984 worldwide warehouse shipments (compared with 34.6% in 1983), followed by audio equipment and related accessories, with 17.8% (from 18.2% in 1983). Shipments in the electronic parts category, including batteries and test equipment, were 13.7% (compared with 13.2% in 1983) toys, antennas, security devices, timers and calculators accounted for 11.9% of shipments (down from 12.5% in 1983).

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	4,448	4,944
Network cable	378	351
Spot tv	5,749	4,238
Network tv	30,008	27,716
Spot radio	3,135	3,497
Network radio	420	0
Farm pubs	301	323
Total measured	44,440	41,069
Total unmeasured	143,860	115,659
Estimated total	190,300	156,728

TANDY CORP.
1800 One Tandy Center
Fort Worth, Tex. 76102
(817) 390-3700

Radio Shack
Marketing Personnel

Bernard Appel, president
Ron Stegall, senior vp-business prod
Graham Beachum, vp-computer merch
Robert Miller, vp-consumer merch
David Beckerman, vp-adv
Ed Juge, dir-mktg planning
Mike Wood, genl adv mgr
Fred Roeben, admin adv mgr

Advertising Agency

Central Advertising Agency (in-house agency), Fort Worth—Greg Lincoln, media dir; Gail Graham, asst media dir.

SCOTT APPLIANCES
Memphis, Tenn.
Marketing Personnel

C.C. Thomas, president
Mike Stell, adv, audio buyer

Advertising Agency

(In-house).

VIDEO CONCEPTS
Englewood, Colo.
Marketing Personnel

William G. Kelley, president
Murray Unell, dir-adv

Advertising Agency

W.B. Doner & Co., Southfield, Mich.—Alan Calter, exec vp.

RANK 61

Time Inc.
New York

($ figures – 000,000)

Worldwide	1984	1983	% chg
Sales	3,067	2,717	12.9
Net income	216	169	28.1
U.S.			
Sales	N/A	N/A	N/A
Operating profits	N/A	N/A	N/A
Advertising	134	125	6.9
Division sales			
Magazines	1,321	1,131	16.8
Books/information	491	505	-2.8
Video	1,256	1,081	16.1

Time Inc., New York, the nation's 61st largest national advertiser, raised advertising expenditures to an estimated $133.9 million in 1984, an increase of 6.9% spending levels in 1983. Of the total advertising outlay, Time Inc. spent $107.2 million in measured media, up 18.7%.

Time Inc., ranked the third largest U.S. media company in terms of media revenues by ADVERTISING AGE, reported net income of $216.4 million in 1984, an increase of 28% over 1983. Sales were $3.07 billion, up 12.9% over the previous year.

A good part of the increase was posted in Time Inc.'s magazine division, where revenues rose to a record $1.32 billion, up 16.8% from 1983, and operating income rose to $188 million, up 78% from the previous year when Time wrote off $47 million in losses incurred by the now defunct *TV-Cable Week*.

In the magazine division, Time Inc. concentrated its advertising outlay on promoting its three biggest sellers: *People*, *Time* and *Sports Illustrated*.

People led the pack, with measured media spending of $15 million, up 8.6%. *Time* followed with $11 million, about the same as in 1983. *Sports Illus-*

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BAR LNA

trated spent $3.8 million, an 18% increase over the previous year.

The spending of all three magazines was concentrated on spot tv, with *Sports Illustrated* and *Time* using lots of direct-response subscription promotion. In contrast, *People* promotes only newsstand sales, according to Jim Callaway, president of Holland & Callaway, New York, which handles the account.

During the year, *Sports Illustrated's* 540-page, two-pound special Summer Olympics issue set an ad dollar record for a single issue when it brought in $24 million in advertising. Over-all, *SI* ad revenues rose 26.1% to $230.8 million and ad pages climbed 10% to 3,035.

Time magazine, aided by the presidential election advertising, again beat all its competitors for ad dollars, pulling in $335.6 million, up 12.1% on 2,817 ad pages, up 4.2%.

People, celebrating its 10th anniversary, also had an exceptional year, with ad revenues rising 32.8% to $232.9 million, on 4,063 ad pages, up 17.9%. Ad revenues also rose by 7.4% to $111.7 million at *Fortune*; 35.1% to $57 million at *Money*, and 19.8% to $35 million at *Life*.

The poor performer of the group was the science monthly *Discover*, where ad revenues dropped 10.4% to $10.6 million as ad pages dropped 14.5% to 434. Time Inc. began revamping *Discover* with its September issue, and will devote a large portion of each issue to a special report on one topic. Michael Luftman, spokesman for Time Inc., says the company is offering a guarantee: dissatisfied *Discover* advertisers can swap for linage in one of Time Inc.'s other magazines.

The magazine development group focused its attention on *Picture Week* early this year. Potential advertisers criticized the first prototype of the photoweekly, released in May, as looking cheap. A revamped prototype with more hard news and a four-color cover got better reviews.

Picture Week currently is in test, and should reach broad distribution in early 1986 if all goes well.

The major magazines all showed circulation gains for the year: *People* circulation for the six month period ended Dec. 31, 1984, totaled 2.84 million, up 2.1%, compared with the same period in 1983; *SI* circulation rose 7.6% to 2.64 million; *Time* circulation hit 4.62 million at year-end, up 0.1%; *Fortune* rose 2.6% to 710,141; *Money* totaled 1.51 million, up 9.6%.

Time Inc. solidified its business interest—books, magazines and cable—in October, 1984, when it sold Pioneer Press, a chain of suburban Chicago weeklies, to Marshall Field V's Field Corp. for $25 million, taking itself out of the newspaper business. "Pioneer Press just didn't fit in," says Mr. Luftman.

The company purchased Southern Progress Corp. of Birmingham, Ala., in March in a $480 million deal. Earnings reflected that acquisition for the first time in the second-quarter. Without the three Southern Progress magazines —*Southern Living, Progressive Farmer* and *Creative Ideas for Living*—magazine revenues would have increased only 6.8% over the second quarter of 1985. With them, revenues for that quarter rose 17%. Pretax profits for the magazine operation slowed to a more typical 13% gain in the first half of 1985—$95.4 million, compared with $83.8 million in the first half of 1984 —while revenues rose 12%, to $700 million.

Southern Progress also includes Oxmoor House, a direct marketer of books. This fall, the subsidiary is launching a fourth magazine, *Southern Living Classics*, aimed at an upscale audience.

The video portion of Time's business slowed in 1984, dragged down by high programing costs at Home Box Office Inc. and a softening of the pay-tv market.

The company does not publish separate figures for HBO, but Jay Nelson, an analyst with the Wall Street firm of Brown Brothers, Harriman, estimates that HBO's 1984 profits declined 20%, to $118 million from $148 million in 1983.

As a result, operating profit for the video operations, which also include Denver-based subsidiary, American Television & Communications, and one-third of USA Network, dropped by 1.4%, to $212 million in 1984, although in the first six months of 1985, they rose 7.6% to $116 million.

The video holdings in mid-1985 took out in hot pursuit after Warner Amex Cable Communications, the sixth largest multiple systems cable operator in the U.S. Time Inc. and Denver-based Tele-Communications Inc. jointly offered $900 million for that operation.

The deal evaporated in August, 1985, when Warner Communications announced it would buy out American Express' share of the operation and stay in the cable business. (The two own Warner Amex 50/50.)

Although ATC and TCI are still studying Warner-Amex with an eye toward making another offer, success seems remote. ATC spokesman Jim Duffy says cash-strong ATC would actively continue to seek new investments—from new systems to new technologies.

ATC, the nation's second largest cable television company, is the strength of the video division, and Time Inc. expects it to set profit records in 1985.

As a corporate entity, ATC does very little advertising, in 1984 spending less than $20,000 nationwide. Mr. Duffy says that's because ATC has just completed a long decentralization process that gave marketing responsibility to the local systems. "I'm responsible for the corporate advertising budget, which is about $10,000, and I think I've spent $1,100 of it," Mr. Duffy said this August. "We don't view ourselves as a consumer company."

Meanwhile, the video division has been focusing on improving the performance of HBO. The second quarter of 1984 brought HBO's first reduction in profitability in seven years, and the company immediately responded with a major reorganization that began a period of cost-cutting and staff reduction.

In October, HBO replaced chairman-ceo Frank Biondi with former president and chief operating officer Michael Fuchs. Many of the problems at HBO are traced to contracts for movies that were predicated on a growing subscriber base that failed to materialize. Those contracts have been renegotiated based on lower subscription levels but most will not take effect this year.

But Mr. Luftman says the cost-cutting measures are beginning to show results, noting that the second quarter of 1985 brought a rise in HBO profits —the first in a year—although subscription levels remained flat.

Tough times have brought aggressive marketing to HBO, which began 1985 with its first national direct-response tv campaign.

The company revamped its HBO schedule to cut down on repetitious programing, and spent $10 million on a summer campaign to explain the new schedule. Mr. Luftman says the results of that campaign have been good, with June prime-time ratings the best in three years.

The company spent 57% more on advertising HBO in 1984 than it did in 1983—going to $15.3 million from $9.7 million in measured media spending.

For the entire video group, media spending rose by a third, to $18.1 million in 1984 from $13.6 million in 1983.

After two years of losses, Time-Life Books division turned a profit in 1984. Time-Life Books, the largest component of the books and information division, underwent a cost-cutting reorganization in 1984. Pretax income for the books and information division more than tripled, to $65 million from $21 million. Desite a lackluster second quarter, pretax income for the first half of 1985 rose in the book division by 18%.

The division is one of the company's largest ad spenders, and its big spenders in measured media were Time-Life Books and its products at $18.2 million, up by 22% from 1983, and Book-of-the-Month Club products at $4.6 million, down 8% from 1983.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	13,320	11,428
Magazines	39,539	35,330
Network cable	7,192	5,518
Spot tv	33,070	31,328
Network tv	12,129	5,013
Spot radio	1,885	625
Network radio	0	926
Outdoor	50	123
Total measured	107,183	90,298
Total unmeasured	26,717	35,005
Estimated total	133,900	125,303

TIME INC.
Time & Life Bldg.
Rockefeller Center
New York
(212) 586-1212

Marketing Personnel

Time

John A. Meyers, vp-publisher
Richard B. Thomas, vp-associate publisher, worldwide adv sales dir
Robert B. Sweeney, worldwide public affairs dir
Katherine R. Erskine, promo dir
Robert D. McCoach, circulation dir

People

S. Christopher Meigher III, vp-publisher
William S. Myers, associate publisher-adv sales dir
Robert B. Kyle Jr., promo dir
Michael J. Owen, circulation dir

Fortune

James B. Hoefer, publisher
E. William Kenyon, associate publisher
R. Timothy Leedy, adv sales dir
Jeremy B. Koch, circulation dir
David L. Nimz, promo dir

Discover

James B. Hayes, publisher
John E. Jay, adv sales dir
Harry C. Rubicam, promo dir
G. Lindsay Valk, circulation dir

Money

William M. Kelly Jr., publisher
Charles Rubens II, adv sales dir
Michael Rich, promo dir
Ruth Shields, circulation dir

Sports Illustrated

Robert L. Miller, publisher
Donald J. Barr, associate publisher-adv sales dir
Thomas J. Hickey Jr., adv sales mgr
George P. Berger, promo planning dir
E.P. Valk, circulation dir

Life

Charles A. Whittingham, publisher
Allen T. Wragg, adv sales dir
Gilbert Lesser, promo dir
H. McLean Smith, circulation dir

Progressive Farmer

Gerald Jehle, publisher
David V. Hemphill, adv sales mgr
Jim Moon, adv services mgr
Bill Capps, circulation dir

Southern Living

James E. DeVira, publisher
H.B. Flora, adv sales mgr
Jim Hurd, adv services mgr
Bill Capps, circulation dir

Creative Ideas for Living

Richard M. Fontana, publisher (N.Y.)
Howard Gurian, adv sales mgr (N.Y.)
Pam Powell, promo mgr
Bill Caps, circulation dir

Southern Living Classics

Don Logan, publisher
George de Man, adv sales dir
Jeanetta Keller, dir-pr
Bill Caps, circulation dir

AMERICAN TELEVISION & COMMUNICATIONS CORP.

Gary Bryson, exec vp-mktg
Richard B. Holcomb, vp-public affairs
James C. Duffy, dir-public information

HOME BOX OFFICE

John Billock, senior vp-mktg
Matthew Blank, senior vp-consumer mktg

TIME-LIFE BOOKS

Christopher T. Linen, senior vp-mktg

BOOK-OF-THE-MONTH CLUB

Lorraine Shanley, exec vp-edit & mktg

LITTLE, BROWN & CO.

David Goehring, dir sales & mktg, trade div
William A. Guthrie, adv mgr-trade div
Doreen Del Rosario, publicity mgr-trade div
George Pratt II, adv & sales promo mgr-law div
Vincent Douglas, mktg dir-medical div
Janet Carlson, mktg dir-college div
Robert Hyde, intl mktg dir

TIME-LIFE VIDEO

Dorothy Dunbar, adv & promo dir

SELLING AREAS-MARKETING INC. (SAMI)

Carlyle C. Daniel, president
Karl L. Pruess, exec vp-operations
Alan B. Miller Jr., vp-sales services mgr

Advertising Agencies

Austin Kelly, Atlanta—*Southern Living Classics* (trade)—Cynthia Rogers, acct super.

Creamer Inc., New York—Selling Areas-Marketing Inc. (SAMI)—Harvey Dreyer, acct super.

A. Eicoff & Co., Chicago—Time-Life Books—Ron Bliwas, president-mgmt super; Francie Barson, vp-media dir.

John Emmerling Inc., New York—*Money* (adv promo), *Discover*—Jim Guthrie, acct super.

Fletcher/Mayo/Associates, Atlanta—*Progressive Farmer* (trade)—Kathy Freebairn, acct exec.

Geer, DuBois, New York—*Life* (adv promo)—Doria Steedman, acct super; Kathy Reps, media super. *Life* (circulation promo)—John Allen, senior vp; Dawn Dresher, Cindy Waxman, acct execs; Michael Garcia, acct super.

Holland & Calloway Advertising, New York—*People* (circulation promo)—Jim Calloway president; Ron Holland chmn of the board, copywriter; Russ Kaiser, producer.

Needham, Harper & Steers, D.C.—*Southern Living* (trade)—no account personnel currently assigned.

Norwest Communications, New York—*Creative Ideas for Living* (adv promo)—Bill Silinsky, president.

Ogilvy & Mather, New York—*Sports Illustrated* (adv promo)—Denise Johnson, acct exec; David Warren, acct super.

Richards Group, Dallas—*Sports Illustrated* (circulation promo), Time—Brad Todd, mgmt super.

Scali, McCabe, Sloves Direct, New York —*Time* (circulation, promo)—Bruce Lee, vp-creative dir.

Franklin Spier Inc., New York—Little, Brown & Co.—Rhonda Hall, acct exec; Helen Strauss, media dir.

Wunderman International, Montreal—*Time International* (circulation)—Mona Goldstein, directing mgr; Mark Goodman, acct exec.

Wunderman, Ricotta & Kline, New York —*Time* (circulation promo)—Worth Linen, vp-mgmt super; Phil Cheevers, acct exec; Bev Stetson, acct exec. Time-Life Books—Worth Linen, vp-mgmt super; Judy Keane, acct super; Michael Darling, acct exec. Time-Life Records—Worth Linen, vp-mgmt super; David Henderson, acct exec. *Discover*—Worth Linen, vp-mgmt super; Kate Springfellow, acct exec.

Young & Rubicam, New York—*Fortune*-Tom Spangenberg, mgmt super; Terry Pranses, acct exec. *People* (adv promo)—James Tyrell, acct super; Robert D. Boucher, acct exec. *Time* (circulation promo)—Tom Spangenberg, mgmt super; Ann Depeey, acct exec. *Time* (adv promo)-James Tyrell, acct super.

AMERICAN TELEVISION & COMMUNICATIONS CORP.
Englewood, Colo.

Marketing Personnel

Trygrve E. Myhren, chmn of the board, president
Stephen St. Maire, vp-mktg, programing
Allan Eisenberg, dir-adv
Dan Smith, dir-adv

Advertising Agency

Wells & Evans, New York.

BOOK-OF-THE-MONTH CLUB
New York

Marketing Personnel

Lorraine Shanley, exec vp-editorial & mktg
Betsy Poris, vp-adv dir
John Hall, mktg dir

Advertising Agency

Lord Geller, Federico, New York/—/Albert Berger, mgmt super; Brian Magalski, asst acct exec.

HOME BOX OFFICE INC.
New York

Marketing Personnel

Susan Greene, senior vp-corp affairs
Dan Levinson, vp-adv
John K. Billock, senior vp-mktg
Barbara Bellafiore, dir-network planning

Advertising Agency

Ted Bates, New York—Cinemax—Ken Corrigan, mgmt rep; Susan Johnson, associate media dir; Mark Weinkoop, acct mgr.

BBDO, New York—HBO—David Seal, vp-mgmt super; Ellen Walsh, acct super; Russell Schare, acct exec; Michael Bailey, asst acct exec.

LITTLE, BROWN & CO.
Boston

Marketing Personnel

William A. Gutherie, adv mgr
David Goehring, mktg mgr-trade div
Munro Magruder, trade sales mgr

Advertising Agency

Franklin Spier, New York—Rhonda Hall, acct exec.

Toyota Motor Sales Corp.

RANK 57

Torrence, Cal.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	24,828	22,368	11.0
Net income	1,238	958	29.2
Advertising	138	124	11.3

Worldwide Toyota Motor Sales U.S.A., Torrance, Cal., which has announced plans to build an auto plant in the U.S. by 1988, is the 57th leading national advertiser with estimated U.S. ad expenditures of $137.9 million, up 11.3% from the previous year.

The Japanese auto maker holds a 23% share of the U.S. import market in cars sold and 5.4% of the nation's total market.

The company is a subsidiary of Toyota Motor Corp., Japan, which for 1984 reported record worldwide sales of $22.83 billion, up 11% over 1983,

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and earnings of $1.7 billion, up 33.5% from a year earlier for another all-time high. Sales and earnings for both 1985 and 1984 fiscal years were converted from yen to dollars at the rate of Y238 to = U.S.$1.

Toyota currently ranks third in worldwide auto production behind General Motors and Ford and is followed by Nissan in fourth place.

More than half of Toyota cars and trucks are exported worldwide, with a record 1,710,352 units of a total 1984 production of 3,376,224 units being sold in overseas markets. The export figure includes 1,076,662 passenger cars, up 1.4% from 1983, and 633,690 trucks and buses, up 10.3%.

Loosening of voluntary restraints on passenger car exports to the U.S. and the strong sales performance of Toyota's light trucks helped account for an 11.9% increase in exports to North America in 1984.

For the seventh consecutive year, the company set a U.S. total vehicle sales record, with sales of 822,164 units, up 13.1% over the previous high of 726,818 units sold in 1983. It was the first import to sell more than 800,000 units in a year. The total included 557,981 cars (up 0.4%) and 264,183 trucks, a booming 54.4% jump and a record high for trucks for 10 straight years.

The self-imposed quotas assumed by Japanese marketers, under the Voluntary Restraint Agreement for the year beginning April 1, 1985, limit Toyota to an allotment of 620,000 cars, up 12.5% from last year. Despite record sales, Toyota's U.S. market shares again shrank slightly. The company ended the year with a 23% unit share of the U.S. import market, down from 23.4% in 1983, and 5.4% of the total market, down from a 6.1% share a year earlier.

Also, Toyota is the leader in the sale of import forklifts, a record 5,606 units sold in 1984, marketed through its Toyota industrial equipment division.

Toyota responded to its reduced U.S. car market share with a substantial increase in advertising, boosting measured media expenditures in the nine media tracked in this report to $119.9 million, up 12.9% from 1983. Of these measured expenditures, Toyota spent $18.5 million on network tv and $58.3 million on spot tv, a total of $76.8 million compared with $70 million in 1983. Toyota is the only Japanese importer to spend more money on spot tv than network tv. The company also spent $15.4 million for magazines, a $3 million increase over year-earlier figures.

Once again cable tv was part of the Toyota ad budget, with a total of $5.3 million spent for packages on the sports-oriented USA Cable Network and superstation WTBS. The expenditure was only slightly higher than for 1983.

Among the many significant unmeasured expenditures budgeted for the 1985 model year was Toyota's participation in a record 21 auto shows in major metropolitan areas throughout the U.S. The exhibits featured $1 million worth of new high-tech displays, which debuted at the Dallas dealer meeting in October.

The unmeasured total also encompassed Toyota's heavy involvement in a motor sports program that included the Toyota Grand Prix and pro-celebrity race at Long Beach and the Olympus Toyota Pro Rally, largest motor sports rally in the U.S., held at Tumwater, Wash. Also not measured were expenditures for merchandising and promotion materials used to support the marketing effort at the dealer level.

The Corolla once again was Toyota's U.S. sales leader, with unit sales of 157,885, up 10% over 1983. Accounting for nearly $20 million in measured media expenditures during the year, the Corolla was the company's most heavily advertised nameplate.

But as a category, Toyota trucks of every variety took $43.4 million of the measured spending, up 50.7% from the previous year in the six media traced by Leading National Advertisers. Record expenditures in most media supported the "Oh What A Feeling" ad slogan for the sixth consecutive year.

One of the first campaigns of the 1985 model year was for the all-new Corolla GT-S and its 16-valve engine ($9,538 for the liftback model) that kicked off in *Road & Track* magazine in September, 1984. The three-page spread was followed by similar spreads in other enthusiast magazines, plus a youth-oriented, 30-second network tv spot.

A 60-second spot playing off the magazine creative ran on the youth-oriented MTV:Music Television, the video music channel on cable tv. The spots also ran on popular network series and National Football League games.

Toyota continued its use of celebrity spokesmen for the 1985 line, such as baritone Sherrill Milnes featured in tv spots singing the praises of van models that "can seat a seven-person orchestra or carry 1,500 lbs. of sheet music."

Race driver Dan Gurney took to the streets of New York to demonstrate the performance of the $17,158 luxury Supra sportscar; five members of the Los Angeles Lakers basketball team showed off the roominess of the Camry models ($8,948 to $10,698) and off-road champ Ivan "Ironman" Stewart pitched the toughness of Toyota trucks on the 1,000-mile Baja endurance race.

The spring of 1985 saw tv personality Ed McMahon making a special, one-time pitch for Toyota's new sport/performance MR2 offering. The MR2 is a wedge-shaped two-seater priced at $10,999 and positioned to sell against the Mazda RX-7 and the Pontiac Fiero. Mr. McMahon called it "the new game in town," pointing out it had been selected as *Motor Trend's* "Import Car of the Year."

The MR2 spots featured a giant-scale pinball machine with the car racing between the bumpers and flippers to emphasize the fun and excitement of driving the new model.

Pro golfer Lee Trevino pitched Toyota vans and trucks and signed on as an official Toyota spokesman for the next three years.

Toyota print ads again used big action photos of the vehicle accompanied by a bold headline. One new 1985 page ad, headed "Van of A Thousand Faces," detailed the specifics of the Toyota cargo van for the rapidly growing fleet market. Print ads appeared in major consumer and enthusiast magazines and *USA Today*, while tv ads were seen on such major network shows as "Hill Street Blues," "Dallas," "Cagney and Lacey" and "60 Minutes."

The company once again advertised heavily on sporting events. Sponsorship included 14 NFL games on CBS-TV, four hockey and 18 basketball games and eight college football bowl games on network and cable tv, including the Rose Bowl. The schedule also included first-time sponsorship of PAC 10 and Big 10 college football.

Outdoor posters, designed to boost sales at individual dealerships, featured the Corolla GT-S, the 4x4 Xtracab truck, the van and Tercel three-door liftback.

Contributing to Toyota's continued dominance of small truck sales in the U.S.—245,596 units compared with 220,000 for Ford, 203,724 for Nissan, 187,065 for Chevy and 119,127 for Mazda—was sustained promotion, both nationally and at the dealer level. Once such effort was the "Steal A Deal" ad package, which featured five tv and three radio spots and a wide range of merchandising materials for dealer use.

In mid-model year, the truck campaign came to encompass the 1985 1/2 4x2 Xtracab SR5 trucks, the first in the industry to feature gas turbochargers and electronically controlled transmission, as well as Toyota's first use of a four-wheel drive automatic transmission.

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Toyota joined the ranks of Japanese auto marketers with U.S. production facilities in April, 1985, when it joined with General Motors in the formal dedication of the New United Motor Mfg. Inc. plant in Fremont, Cal. The former GM assembly plant is a 50-50 joint venture between GM and Toyota to produce the new Nova to be sold by Chevrolet, according to the joint agreement signed in February, 1983. Resembling a Corolla, the Nova is being targeted as a family car for the upscale youth market, positioned between Spectrum and Cavalier.

NUMMI is producing 75 Novas a day, with plans to build 20,000 units a month by April, 1986. When introduced to U.S. car buyers in June, 1985, ads for the Nova called it "the best of both worlds" and mentioned Toyota as a partner with GM and Chevrolet in the joint venture. Toyota, however, views the Nova as just another competitor.

Production of Toyota Celica GT-S convertibles, a joint venture with ASC Inc., Southgate, Mich., was halted at the factory in Compton, Cal., on completion of a contract for 5,000 of the ragtop units.

On June 23, 1985, Toyota announced it would build its own U.S. and Canadian manufacturing plants at as yet undisclosed locations by 1988. The U.S. plant, expected to cost an estimated $625 million, is to produce Toyota's mid-sized Camry at an annual production capacity of 200,000. The Camry is the largest upscale model either being built or scheduled to be built by a Japanese auto maker in the U.S.

Opening of the plant will make Toyota the last major Japanese auto maker to manufacture in the U.S. Honda Motor Co. has been making subcompacts in Ohio since 1982 and Nissan started production at its Tennessee truck factory this spring. Mazda Motor Corp., Japan's No. 3 auto maker, has plans to build a factory in Michigan, to start production in 1987.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	14,913	12,571
Magazines	15,403	12,416
Network cable	5,391	5,248
Spot tv	58,377	47,586
Network tv	18,544	22,853
Spot radio	5,263	3,343
Network radio	54	20
Outdoor	1,793	2,204
Farm pubs	183	0
Total measured	119,920	106,240
Total unmeasured	17,980	17,657
Estimated total	137,900	123,897

TOYOTA MOTOR SALES U.S.A.
19001 S. Western Ave.
Torrance, Cal. 90509
(213) 618-4000

Marketing Personnel

Robert McCurry, senior vp
James Perkins, group vp-sales, mktg & distribution
James Press, genl mgr-mktg & distribution
George Borst, corp mktg mgr
B. Barney Brogan, corp public affairs mgr
Charles Valentine, natl adv mgr
Joseph R. Corey, adv mgr-creative
Sylvia S. Voegele, adv mgr-media

Advertising Agency

Dancer Fitzgerald Sample, Torrance, Cal. —Stuart Upson, chmn-ceo; Norm Lauchner, mg dir, Jim Lindsey, mgmt super.

Trans World Airlines

RANK 96

New York

($ figures – 000,000)

Worldwide	1984	1983	% chg
Sales	3,657	3,354	9.0
Net income	30	-12	341.1
U.S.			
Sales	2,048	1,955	4.8
Operating profit	-88	-222	-60.3
Advertising	66	59	12.2
Division sales			
Passenger	3,107	2,869	8.3
Freight/mail	211	179	17.8
Other	339	306	10.5

The past year has been a stormy journey for Trans World Airlines, New York, N.Y., which ranked as the 96th largest national advertiser in 1984 with $66.2 million in advertising.

Total measured spending in nine-media for TWA was $42.7 million in 1984, up 9.2% from the previous year when TWA was a subsidiary of Trans World Corp., New York, now a conglomerate with hotel and food service properties.

Worldwide, TWA says it spent $80.2 million on all aspects of advertising and promotion in 1984, up 12%. Components of this spending, notes the airline, were $66.2 million for domestic advertising and promotion, including $58.7 million for all types of media outlets. The balance was spent on international advertising/promotion. For 1983. The full U.S. total was $59 million, including $52.3 million for all kinds of media placement. International 1983 spending was $12.9 million.

During the past year the airline has weathered its own corporate spinoff, the post-deregulation fare wars, tough union negotiations on wage cuts, a squadron of new air transport discounters, and the cross fire of would-be TWA owners Frank Lorenzo and his Texas Air Corp. vs. Carl C. Icahn and his group of investors. Icahn forces, now with 52% of TWA's common stock, are the new owners.

TWA's total revenue reached $3.66 billion, up 9%, continuing a generally gradual year-to-year increase since 1980.

Net income was $29.9 million, the first full year of profit in the past four years.

In the second quarter of 1985, ended June 30, the company had net income of $18.1 million, a drop of 67% from the second quarter, 1984. Sales for the same quarter increased 8%, to $1.04 billion. For the first half of 1985, total revenue increased 10.8% to $1.81 billion, but there was a net loss of $56.2 million, compared with a net loss of $31.9 million in the prior year period.

The continued availability of deeply discounted industry fare programs, principally on domestic routes, has diluted earnings along with measured costs of salary, wage, and benefits related to an increase in capacity-related employment levels and the expiration of a 1984 wage-reduction program.

TWA is the fifth largest airline in U.S. domestic service with a 7.6% share, behind American, United, Eastern and Delta in that order. It is the largest U.S. airline in the trans-Atlantic service to Europe. Its share of the U.S. domestic market has slipped from 8.7% in 1982. By contrast, its market share of the trans-Atlantic service in 1984 was 19.3% and rising, from 16.9% in 1982.

For that part of the trans-Atlantic market going to TWA and its chief U.S. rival in that service, Pan American, TWA consistently takes an increasing majority of the business—66.4% in 1984, up from 54.4% in 1982 and 55.3% in 1983.

Consistent with the recent trends in its total sales and income figures, the airline had international traffic growth of 20.2% in 1984 but a domestic traffic decline of 7.1%.

TWA, which became part of Transworld Corp. in January, 1979, was spun off Feb. 1, 1984, into an independent publicly-owned company.

Since 1978, TWA has restructured its domestic routes keying in on two hubs, Lambert-St. Louis International Airport in St. Louis and John F. Kennedy International Airport, New York.

Since TWA now gets 48% of its total revenues from its strategy of feeding from its domestic system into the international system, it is at pains to further develop and carefully market that combination. Its efforts seem to be paying off.

The 1984 gain of 20.2% in traffic overseas outpaced the U.S. airline industry-wide gain of 13%.

TWA gives major credit for the cut in its 1984 operating loss to the efficiency of its St. Louis hub. Domestic revenue for 1984 was up 4.8%, to $2.05 billion. The domestic pre-tax loss of $122.2 million in 1984 was an improvement over the 1983 loss of $191.2 million. International system revenue was $1.61 billion, up 14.9%. Pre-tax income of $156.6 million rose 0.8%.

TWA pursues a marketing strategy emphasizing its identity as a full-service quality airline providing a product mix clearly differentiated from "no-frills" low-fare travel. This strategy can only be possible if operating costs are held down.

One way the major airlines can compete with discounters like the Peoples Express is to offer alternative fares, "but the single biggest adjustable element is wages . . . the one thing management can control," says Louis A. Markesano, securities analyst with Janney Montgomery Scott Inc., Philadelphia.

And TWA has been whittling away at its labor costs of 36.1% of total operating expenses compared, for example, with 21% at the Continental Airlines unit of Texas Air Corps., headed by fare-discounting, cost-cutting president/ceo Frank Lorenzo.

In 1984, costs of salaries, wages, and benefits fell slightly to $1.29 billion, resulting from 10% wage concessions granted by about 43% of TWA's employes, including pilots, during November, 1983, to January, 1985. Also, the total labor force decreased 3.3% during 1984, to 27,320 from 28,242. Since then, the company has suffered a "snap-back" effect from restoring the cut wages while the signatures still have not been inked on lower-cost contracts with the other 57% of TWA workers, the flight attendants and machinists, also unionized like the pilots.

Added to the jostling turbulence of TWA's past year was the activity of outside investors. Sizable TWA stock purchases were begun in December, 1984, by Carl C. Icahn interests. Mr. Icahn ultimately won out over Resorts International, a hotel and gambling casino company, and Texas Air Corp. and a TWA employes group seeking a leveraged buyout as the bidding price rose from an original $18 a share to $26.

During the bidding, TWA pilot-members of the Airline Pilots Assn. struck a deal with Mr. Icahn to take benefit and salary cuts up to 20% through Dec. 31, 1988, as a tradeoff for 20% ownership and 20% profit-sharing in the airline.

Union concessions were in response primarily to Texas Air's involvement because of the union-busting reputation of the president, Frank Lorenzo.

Analyzing this campaign for TWA control, Janney Montgomery Scott's Frank Markesano says that "if Texas Air had won control, parts of TWA would have been merged into parts of Texas Air or Continental and no longer would have been the TWA we recognize.

With Icahn, the promise is that the basis will be found for a profitable TWA by 1986 or '89."

TWA in the meantime built innovation into new services to create more traffic and introduced new marketing-advertising techniques to sell those services.

Beginning in April, 1984, and continuing to today, TWA has introduced countless new domestic and international routes. The broadening service now encompasses 207 flights each way weekly across the Atlantic, with the 71,649 total seats each week 18% greater than 1984.

A small but telling equipment innovation is the new Ambassador Class lounger chair, now installed aboard trans-Atlantic 747s in the business-class section.

In the same genre as Pan Am's business-class lounge seat and British Airways' Super Club seat, the Ambassador Class (which TWA claims is the widest of the three) is transformed at the flip of a lever into a three-position, home-style recliner.

In other innovations, TWA linked its automated PARS reservations-ticketing system with Amtrak's automated ARROW system, allowing cross-ticketing between the two networks. Also, TWA plugged into H&R Block Co.'s CompuServe information service for computer users giving more than 185,000 subscribers direct access through their PCs.

A major advertising change for TWA broke on Jan. 21, 1985, as the company switched scenes from its familiar soaring, "You're Going To Like Us, TWA" theme to a new ad series titled, "Leading the Way, TWA," created by Ogilvy & Mather, New York for tv and print.

The campaign says hot coffee, in-flight movies, express check-in, boarding passes, and separate sections for business class flyers were original with TWA.

Less splashy, was the late-1984 advertising promotion that Polaroid Corp., Cambridge, Mass., and TWA produced in concert. Ally & Gargano, New York, created the program that offered buyers of $25 or more in Polaroid camera and film 25% fare discounts on all round-trip TWA overseas flights. In addition to a campaign on network and spot tv, spot radio, magazines and newspapers, Polaroid sent 1.5 million direct mail pieces to Polaroid customers and TWA frequent flyers. TWA says the company expected 150,000 redemptions, but got 350,000.

Passenger-service advertising received 99.8% of the TWA ad budget in six measured media, up 38% for 1984, to $19 million. Freight ad costs were just $12,000 for 1984.

Spot tv was the clear preference for TWA campaigns in 1984, totaling $12.1 million, a sharp jump of 45%. Network tv received nothing in 1984 after just $99,000 in 1983 spending.

Magazine spending, the second largest category, had a total of $5.2 million, up 27%, and spending for newspaper supplements jumped 103%, to $611,200. Spot radio for 1984 was off 24%, dropping to $2.9 million, ad outdoor spending increased 102% to $310,000.

C.E. Meyer, who resigned as TWA's president-ceo in June, 1985, during the Icahn takeover efforts, left to become president-ceo of the Hilton International Co. unit of Transworld Corp., TWA's former owner. He was replaced by Richard D. Pearson, who moved up from his former executive vice president-ceo position with TWA.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	21,436	21,935
Magazines	5,190	4,086
Network cable	11	0
Spot tv	12,093	8,336
Network tv	0	99
Spot radio	2,895	3,811
Network radio	839	723
Outdoor	310	153
Total measured	42,737	39,144
Total unmeasured	23,463	19,856
Estimated total	66,200	59,000

TRANS WORLD AIRLINES
605 Third Avenue
New York, N.Y. 10158
(212) 692-3000

Marketing Personnel

S.G. Long, senior vp-mktg & sales
Edward Gehrlein, vp-sales
Erv Kaufman, staff vp-mktg

Advertising Agency

Ogilvy & Mather, New York—Tim Elliott, senior vp-mgmt super.

UAL Inc.

RANK 59

Elk Grove Township, Ill.

($ figures – 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	6,968	6,022	15.7
Net income	643	216	197.0
Advertising	137	132	4.0
Division sales			
Airline	6,210	5,373	15.6
Hotels	567	495	14.7
Business services	192	164	17.5

UAL Inc., parent company of United Airlines and the nation's 59th largest advertiser in 1984 with an estimated total advertising of $136.7 million, up 4% from the previous year, took both the high and the low road in 1985 in agreeing to buy Pan American World Airway's Pacific division and Hertz Corp. rental car company, at a combined cost of $1.34 billion.

A merger of both acquisitions into the Elk Grove Village, Ill.-based UAL would greatly extend the company's marketing opportunities in the travel service industry. They also reduce its attractiveness as a takeover target, analysts say.

UAL made significant shifts in measured media spending in 1984 to focus on network tv for United, its principal subsidiary. United cut measured outlays for spot tv by 20% to $18.9 million, and for spot radio by 54% to $6.8 million in 1984 over 1983, while tripling outlays for network tv to $25.8 million with image-oriented ads focusing on targeted market segments, using the longstanding "fly the friendly skies" theme.

United's rising network tv spending parallels growing confidence in the long-term profitability of the nation's largest carrier. United's 1984 operating revenue of $5.6 billion was up 16% from 1983; it accounted for 89% of UAL's 1984 revenue of $6.97 billion, up 15.7%.

United's 1984 earnings of $564 million were up from $160 million in 1983, a 253% increase. United's earnings accounted for most of UAL's net income of $643 million, up 198% from 1983, and the best since 1978.

Profitability in the first six months of 1985 was another story, however, with UAL posting an operating loss of $183.7 million and net loss of $91.7 million, almost entirely the result of a 29-day pilots strike at United in May and June, 1985. For comparison, UAL earned $148.6 million on operating income of $260.1 million for the same period in 1984. The strike is expected to wipe out after-tax earnings for 1985, analysts say.

The strike also helped to lift American Airlines into the lead of domestic traffic and market shares during the first half of 1985.

American's domestic market share for the period was 15.2%, up from 14.1% the previous year's first half, according to Michael Derchin of First Boston Corp., New York.

United, in the same period, had a 14.4% share, down from its previous year's first half market share of 18.1%. The next largest carriers were Eastern

THE BLACK $ MARKET

Last year the Black Consumer spent over 150 billion dollars in consumer goods, that's more than the GNP of many third World Nations. This year that number will exceed 157 billion dollars. How much longer are you going to miss out?

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and Delta, with 11.6% and 11% shares, respectively, followed by Trans World Airlines with 6.4%, Continental with 5.7% and Northwest with 4.3%.

United quickly began rebuilding national market share following the strike, offering a 50% rebate on flights from July 1 to 7, reductions in advance purchase requirements for discount seats, double mileage for frequent fliers and free upgrades. Other carriers matched its promotions, except for the rebates.

United's scheduled service was back to normal in August, and Mr. Derchin predicts United's operations will be normal by the fourth quarter of 1985. United also is benefiting from strong passenger traffic growth in 1985, which could exceed 1984 levels by 12% to 13%, and which is expected to grow another 9% in 1986, Mr. Derchin says.

The temporary setback from the strike will be far outweighed by concessions United was able to wring from pilots and other unions in 1984 and 1985, which will significantly reduce operating costs over time, he adds. The new pilots' agreement, for example, establishes a two-tier wage scale with new pilots hiring on at 40% lower pay for the first five years, with wage scales afterward set at competitive levels through arbitration. Wages are to merge with former pay scales when a pilot reaches the rank of captain, which takes about 18 years, according to United.

With favorable labor contracts, United is now in a position to grow more profitably at major hubs and elsewhere, says John Zeeman, United's exec vp-marketing and planning. Operating costs per seat mile of all expanded service will now be competitive with those of low-cost carriers. "We're now in a position where expansion makes sense," he says.

United's route expansion and schedule enhancements in 1984 allowed it to become the only airline serving all 50 states. This helped to make its shift to national tv advertising an economical move, Mr. Zeeman says. New "spokes" were added at hubs in Chicago, Denver and San Francisco, and 24 cities were added to United's system, bringing the yearend total to 159 cities served through 139 airports. United announced plans in January, 1985, for a $300 million 42-gate "Terminal for Tomorrow" in Chicago, and in September, 1985, for $100 million in improvements at Denver, its second-largest hub.

United's growth strategy in recent years has focused on increasing its dominance in the western U.S. Interestingly, American Airlines in recent years began focusing on growth to the East, with several new trans-Atlantic routes and new hubs at Raleigh/Durham, N.C., and Nashville, Tenn., prompting speculation that the two carriers are staying out of each other's way.

Pan Am's Pacific division, which United agreed to buy for $750 million, will greatly enhance the profitability of United's domestic network by tying in long-haul flights across the Pacific, the industry's fastest growing area, says Mark Daugherty, airlines analyst with Dean Witter Reynolds.

Likewise, the pending acquisition of Hertz Corp. from RCA for $587.5 million would allow UAL to benefit from synergies in the air passenger, car rental and hotel markets, he says. UAL-owned Westin Hotels manages 54 hotels containing more than 25,000 rooms worldwide and owns 24 of those hotels. Hertz has 6,300 locations worldwide, 30,000 employes and 36% of the domestic car-rental business. It reported a $74 million net profit on revenues of $1.44 billion in 1984.

United's Mr. Zeeman says the most important effect of the Hertz acquisition will be operational—such as the ability to share computerized reservations systems for better marketing management and promotion, which would reduce the number of empty seats on airplanes, unrented automobiles and empty hotel rooms.

Hertz will bring to UAL a list of America's business and pleasure travelers nearly equal in value to its own. If the Hertz sale is approved by RCA shareholders, Hertz would become a separate UAL unit, similar to the Westin Hotel subsidiary, which would be free to continue its contractual obligations as a member of the frequent flier programs of other airlines, a UAL spokesman says.

The U.S. Department of Transportation plans to rule by Oct. 31 on whether the UAL-Pan Am deal is okay as stands or Pan Am's Pacific routes should be open for competitive bidding. Already, the Justice Department has issued an opinion that the acquisition would "substantially reduce" U.S.-Tokyo competition, that it violates merger guidelines, and that United should sell one of Pan Am's three Tokyo-to-U.S. routes, in addition to possibly divest other Tokyo-Orient routes. United in late September had not responded to the Justice Department's comments.

If United gets the routes, it will immediately be a force in the Pacific with an estimated 23% market share of trans-Pacific traffic. Pan Am currently has a 19% market share in that sector, and United has about 4%.

But the Pan Am division is only a base to grow from, Mr. Daugherty says. United would need more long-haul B-747 aircraft, and would have a tough pricing battle with Northwest and Continental, the two major U.S. carriers with the lowest unit operating costs, and with Pacific market shares of 26% and 3%, respectively. Another factor is Japan Air Lines, which has a 45% to 50% trans-Pacific traffic share.

Fleet acquisition and modernization will intensify as a result of United's new labor contracts and will certainly be affected by the DOT's decision on the Pacific routes, United's Mr. Zeeman says. United in mid-1985 increased its capacity by about 5% and had aircraft purchase agreements totaling $1.3 billion as of Dec. 31, 1984.

Financing for UAL's massive acquisition strategy comes from two sources: An overfunded pension plan, and from sales of equity in hotels owned by the Westin unit. In June, 1985, UAL recovered $962 million surplus from its pension fund by buying annuities for all 59,600 eligible employes. The $962 million was transferred into a trust fund earmarked for corporate expansion activity.

In June, 1985, UAL announced its intention to sell several properties owned by Westin Hotels. In September, 1985, UAL plans to offer interest in three hotels to the public for $360 million. UAL through its Westin unit will retain the lucrative management contracts and will split any equity appreciation 50-50 with the limited partners. If the deal works well, a second offering of $300 million-plus could be in the works as early as 1986.

UAL also sold GAB Business Services, an insurance claims adjusting unit, for an undisclosed sum in July, 1985, to SGS North America, a subsidiary of Societe Generale de Surveillance Holding S.A., of Switzerland.

UAL's financial maneuverings accomplish two important goals, says Mr. Daugherty of Dean Witter. First, the actions concentrate resources in the travel service industry; second, they minimize UAL's attractiveness as a takeover target by removing liquid assets from the potential reach of corporate raiders.

Fearing the latter, UAL shareholders in April, 1985, also approved an increase in authorized UAL common shares, which could be used to repel a takeover.

Mr. Derchin of First Boston says UAL's actions to transform itself from an investment company to more of an operating company have caused many analysts, himself included, to become more bullish about earnings prospects in the future. Mr. Derchin believes UAL's stock is undervalued, and it will rise in value when the effects of its aggressive marketing moves become clear.

An example is found in UAL's Westin unit, Seattle, which announced Aug. 31 that it is moving its $8 million corporate account of 30 years from Seattle-based Cole & Weber to DYR, Los Angeles, as part of a total restructure of its marketing strategy, a Westin spokesman says. The change is part of a long-range plan to double its market share. The change is effective Jan. 1, 1986. Cole & Weber retains publicity and some hotel ad accounts.

UAL's results since 1978 have been plagued by various misfortunes, ranging from the grounding of all DC-10s in 1979 to skyrocketing fuel prices, labor problems, fare wars with low-cost carriers and the air traffic controller's strike.

Perhaps now UAL will have a chance, free of unusual events, to prove what it can do, Mr. Derchin adds. "I'm very optimistic," he says.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	6,112	5,432
Magazines	4,561	4,704
Network cable	674	494
Spot tv	18,931	23,539
Network tv	25,839	8,175
Spot radio	6,802	14,636
Network radio	0	847
Outdoor	524	293
Total measured	63,443	58,119
Total unmeasured	73,257	73,381
Estimated total	136,700	131,500

UAL INC.
1200 Algonquin Rd.
Elk Grove Township, Ill. 60007
(312) 952-4000

UNITED AIRLINES
Elk Grove Village, Ill.
Marketing Personnel
J.R. Zeeman, exec vp-mktg & planning
J.E. Ruhaak, vp-adv & promo
J.C. Blackman, vp-genl sales mgr

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ESSENCE
ESSENCE WOMEN MEAN BUSINESS

D.C Moonjian, vp-mktg mgmt
C.D. Bowers, acting vp-mktg mgmt

Advertising Personnel

W.F. Alenson, dir-adv & promo
A.E Sortwell, mgr-adv
W.D. Groundwater, mgr-adv
R.A. Veatch, mgr-promo
S.B. Weiss, mgr-Mileage Plus

Advertising Agency

Leo Burnett USA—United Airlines—Jim Thompson, vp-acct dir; John Goad, vp-acct super; Jack Woods, Bud McCullen, acct supers; Joe Baskin, Mike Arnold, Dave Palmer, Cara Rosengarden, Jim Dotter, acct execs.

WESTIN HOTELS
Seattle, Wash.
Marketing Personnel

William Newman, senior vp-mktg
David Evans, vp-group sales
Ulrich Schwartz, vp tour, travel & incentive sales
Ron Olstad, vp corp sales
Harvey Cannova, mgr-reservations system
Jim Weiss, mgr-travel industry sales

Advertising Personnel

R.D. LaRue, dir-adv & pr
Barbara Sand, adv mgr
Michele Holter, asst to dir-pr

Advertising Agencies

Cole & Weber, Seattle—some Westin Hotels, publicity—Jim McFarland, vp-publicity.

DYR, Los Angeles—Westin Hotels corp—David Willoughby, exec vp-genl mgr.

The second 100 leading national advertisers by rank ($000)

Rank	Company	Advertising
101	Matsushita Elec. Corp.	$42,572.5
102	Hallmark Cards	40,333.0
103	Estee Lauder Inc.	39,600.6
104	Thompson Medical Co.	39,302.9
105	G.D. Searle & Co.	39,271.0
106	Dayton-Hudson Corp.	37,947.2
107	Mercedes-Benz of N. America	37,940.1
108	Southland Corp.	37,027.5
109	Dow Chemical Co.	36,943.9
110	Jeffrey Martin Inc.	36,775.2
111	MCI Communications Corp.	36,084.1
112	Hattori Corp. of America	35,572.5
113	A.H. Robins Co.	35,544.0
114	Ciba-Geigy Corp.	35,303.5
115	Federal Express Corp.	34,866.9
116	Brown-Forman Distillers	34,667.5
117	Whirlpool Corp.	34,256.8
118	Commodore International	34,244.4
119	Triangle Publications	33,326.6
120	Helene Curtis Industries	33,265.7
121	20th Century-Fox Film Corp.	33,163.5
122	E&J Gallo Winery	32,887.7
123	Imasco U.S.A.	32,554.5
124	Household International	32,366.9
125	Sony Corp. of America	32,285.7
126	Citicorp	31,970.1
127	Tambrands	31,832.6
128	Rapid-American Corp.	31,284.9
129	Polaroid Corp.	31,260.2
130	State of Florida	31,008.0
131	Mennen Co.	30,971.4
132	Block Drug Co.	30,894.5
133	United Biscuits Ltd.	30,748.0
134	Hiram Walker Resources	30,483.5
135	Federated Department Stores	$30,279.0
136	North American Philips	29,965.6
137	MGM/UA Entertainment Co.	29,771.5
138	Black & Decker Corp.	29,533.7
139	National Distillers & Chemical	29,200.4
140	ConAgra	29,190.3
141	American Dairy Assn.	29,112.1
142	SmithKline Beckman Corp.	28,841.3
143	Scott Paper Co.	28,547.0
144	American Stores Co.	28,251.2
145	Borden	28,116.8
146	Southwestern Bell Corp.	27,877.8
147	MasterCard International	27,845.9
148	Pan American World Airways	27,644.3
149	Chevron Corp.	27,040.1
150	Shell Oil Co.	26,499.0
151	Reynolds Metal Co.	26,048.5
152	Subaru of America	25,397.2
153	Exxon Corp.	25,591.3
154	Prudential Insurance Co.	25,405.2
155	BMW of North America	25,371.2
156	Tr[illegible]sworld Corp.	25,085.5
157	C[illegible]-Revell	24,947.5
158	Chesapeake Financial Corp.	24,837.1
159	Texas Instruments	24,831.7
160	Safeway Stores	24,527.9
161	Geo. A. Hormel & Co.	24,448.0
162	Texaco	24,320.9
163	NCR Corp.	24,244.1
164	Wang Laboratories	24,035.5
165	Carter-Wallace	23,822.5
166	Republic Airlines	23,818.4
167	Castle & Cooke	23,734.0
168	Denny's Inc.	23,724.0
169	DeBeers Consolidated Mines	$23,703.7
170	Atlantic Richfield Co.	23,538.5
171	Anderson, Clayton & Co.	23,449.3
172	Hewlett-Packard Co.	23,247.0
173	Sandoz	23,245.6
174	Lucky Stores	23,115.0
175	Kroger Co.	22,991.1
176	G. Heileman Brewing Co.	22,981.3
177	Texas Air Corp.	22,947.3
178	Alberto-Culver Co.	22,864.6
179	Volvo Cars N.A.	22,722.8
180	BellSouth Corp.	22,329.3
181	Pacific Telesis Group	22,184.5
182	Sharp Electronics Corp.	22,112.0
183	Cadbury Schweppes	21,986.7
184	Coleco Industries	21,679.2
185	May Department Stores Co.	21,598.8
186	Atari Corp.	21,159.7
187	Blue Bell Inc.	21,101.3
188	Visa International	21,039.7
189	F.W. Woolworth Co.	20,977.5
190	Marriott Corp.	20,756.1
191	Monsanto Co.	20,616.5
192	Walt Disney Productions	20,246.5
193	Jerrico Inc.	20,200.8
194	Amoco Corp.	20,078.5
195	Orion Pictures Corp.	20,057.9
196	Transamerica Corp.	20,043.3
197	NYNEX	20,011.1
198	Blue Cross & Blue Shield	19,984.6
199	Firestone Tire & Rubber Co.	19,881.5
200	Avon Products	19,821.5

RANK 26

U.S. Government

Washington

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	N/A	N/A	N/A
Net income	N/A	N/A	N/A
Advertising	288	235	22.7

Congress may moan about the rising federal deficit, but its concern hasn't been reflected in government ad spending, which last year leaped 22.7% to an estimated $287.8 million, making the government the nation's 26th largest advertiser.

That spiraling increase in the government's ad budget seems likely to continue. The three main advertisers—the military services, Amtrak and the USPS, whose combined budgets represent four-fifths of the government total—all will spend more this year and will likely have even bigger budgets in 1986, depending on Congressional politics. Amtrak's future as a quasi-goverment agency is still under debate.

Adding another huge chunk to last year's spending was the Treasury Department's $40 million Olympic coin sales program, which raised $65 million in donations for the Olympic games committee. Next year, Treasury intends to spend as much as $30 million to promote Statue of Liberty coins. Proceeds from those sales will go toward restoring the 100-year-old landmark.

Spending to bring in new military recruits had dropped slightly in 1983, but rose 8% this year to $166.3 million. Pentagon ad personnel estimate they will spend $191.5 million this year and have asked for $228.5 million in 1986.

While they believe advertising of the various services has been successful in the last three years—recent high school graduates are signing up in large numbers—Defense marketers are frightened that the dwindling pool of 18 to 22-year-old males signals trouble ahead. Many government officials predict recruiting will become more difficult by 1987.

So, they have convinced Congress bigger ad budgets are necessary to reel in recruits. Their efforts may be given a boost with a new GI education bill which went into effect July 1. Education is one of the main draws for high school graduates, and the new bill promises recruits larger chunks of money for college.

The Army, which also has increased its own college education fund, expects to benefit most from the new program, while other services say it may have only a marginal effect on their recruiting efforts.

The Pentagon's spending looks like this for 1984/85:

- The Army (N W Ayer, New York), the biggest spender, had a $90.5 million budget, up from last year's $85.1 million, with $6.5 million going to the Army Reserve Officers Training Corps and $16.2 million for the Army Reserve. It will spend $93.5 million in 1985, and seeks $116.2 million next year.
- The Navy (Ted Bates Advertising, New York), $13.1 million, down 20.6%. The Navy regained ground this year with a $20.8 million budget.
- Marine Corps (J. Walter Thompson USA, Washington), $16.8 million; $17.25 million in 1986.
- Air Force (D'Arcy MacManus Masius, New York), $16.1 million; $16.85 million in 1986.
- Army National Guard, $8.4 million; $12.6 million and Air National Guard, $2.3 million; $2.6 million in 1986 (both Needham Harper Worldwide, Washington).
- The military's joint service advertising, via Grey Advertising, New York, dropped 5.7% to $18.2 million in 1984 and will be $17.6 this year, but it has asked for $21.3 million in 1986. It will spend more money on network tv buys, rather than in magazines, where most of the other services' money goes.
- The Coast Guard (Thomas Buffington & Associates, Washington), $926,000; $762,500 in 1986. The Coast Guard is hardest hit because of its affiliation with the Transportation Department, which has been hurt by budget cuts. Guard officials expect to miss their recruiting goals by 30% this year, a situation only slightly alleviated by a 68% re-enlistment rate.

The Postal Service (Young & Rubicam, New York) had perhaps one of the largest budget increases, a hefty 41%, to $42 million in 1984. An estimated $18.7 million in measured media, a nearly $2 million increase, went to promoting its Express Mail overnight delivery service. The service delivered 43.9 million pieces of overnight mail in 1984, producing revenue of $489.9 million, increases of 19.3% and 16%, respectively. This year a new campaign aimed at corporate users broke in magazines and newspapers.

The USPS, which expects a total ad budget of $46 million this year, also promotes stamp-collecting, a business which last year had sales of $188.6 million. Other parts of the budget went to international express mail and E-Com, the electronic message service which went out of business this September.

The post office declined to break down its budget by categories because of the fierce competition among overnight delivery services, led by Federal Express with the USPS placing second in volume handled.

Amtrak (Needham Harper Worldwide, New York), which saw its ridership rise a healthy 4.8% in 1984 to 19.9 million, rolled in with a 25% hike, to $26.3 million, even though it changed neither its advertising strategy nor its campaign, "All aboard Amtrak."

New paid ad campaigns which began last year include General Services Administration's $2 million promotion to sell off unwanted government buildings such as the $45 million Hamilton Air Force Base in Marin County, Cal. Kennedy-Wilson, Santa Monica, Cal., a real estate advertising firm, handles.

The U.S. Travel and Tourism Administration finally had $1.2 million of its 1984 budget freed up to promote the U.S. this year, although the fate of the program remains tied up in Congress. The outlook, say officials of the program, is clouded.

A test print campaign, via N W Ayer, New York, is scheduled to break in Germany this fall.

Other paid government campaigns, however, are being phased out. The Federal Crop Insurance Corp. spent $1.7 million in 1984, but will spend only $500,000 this year and in 1986 will let private insurance companies inform farmers about federal insurance programs.

The U.S. Treasury stopped advertising for gold medallions and spent only $110,000 to promote gold and silver coin sales.

Efforts by Transportation secretary Elizabeth Dole to launch a four-year, $80 million seatbelt safety awareness campaign quietly died in Congress this spring. Transportation officials earlier this year issued a request for proposals from agencies, but now say the program will not be revived. Instead, the department will spend $495,000 on a public service campaign via the Advertising Council.

The U.S. Export-Import Bank abandoned plans to advertise its services to small businesses after promotions in test markets resulted in few, if any, inquiries.

Public service campaigns last year added only $7.9 million to the total budget, with few new efforts launched last year. The National Cancer Institute, part of the National Institute of Health, spent $329,000 on the first phase of a cancer prevention program, including tv spots warning against sun exposure.

The Food & Drug Administration spent $200,000 on a Reyes Syndrome information campaign and $150,000 on patient education. Fish & Wildlife Service spent $25,000 to promote the 50th anniversary of the duck stamp.

Some government agencies have increased their budgets.

The National Heart, Lung and Blood Institute this year signed a three-year, $2.1 million contract with Needham Porter Novelli, Washington, to spend as much as $200,000 more a year on its high blood pressure awareness campaign.

The Ad Council's revenue in 1984 dropped dramatically, to $2.4 million from $3.8 million. The non-profit organization will likely not regain that ground, because an April 1 change in contracting rules now makes it more difficult for government officials to hire the Ad Council instead of a for-profit agency.

New Ad Council campaigns include the Social Security Administration, which began with a $4,000 research program. This year, the council also picked up a $496,000 effort for seatbelts for NHTSA, but it also lost its $228,000 campaign for Treasury's direct deposit $228,000 campaign. Treasury asked for bids for the program, but now says it will not likely have any funding next year.

The Council retains long-time clients Smokey the Bear (Foote, Cone & Belding), the Peace Corps (Ted Bates), and Employee Support of the Guard and Reserves (D'Arcy MacManus Masius).

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	11,497	11,548
Magazines	40,043	25,499
Network cable	131	
Spot tv	16,591	16,258
Network tv	92,697	30,063
Spot radio	7,572	[illegible]
Network radio	8,633	9,393
Outdoor	1,290	1,474
Total measured	178,453	99,815
Total unmeasured	109,354	134,790
Estimated total	287,807	234,604

U.S. GOVERNMENT
DEPARTMENT OF DEFENSE
Washington, D.C.
Marketing Personnel

Lawrence J. Korb, asst secretary-force mgmt & personnel
James H. Webb, asst secretary-reserve affairs
Steve Sellman, dir-accession (recruiting) policy

U.S ARMY/ARMY RESERVE
Marketing Personnel

Devert Spurlock, asst secretary for man power & reserve affairs
Lt. Gen. Robert M. Elton, deputy chief of staff for personnel
Lt. Col. James Simon, dir-mktg & adv

Advertising Agencies

N W Ayer, New York—Army, Army Reserve—George Eversman, exec acct dir; Lamarr LeMonte, mgmt super; James Stone, acct super—active Army; Ephraim Goldstein, acct. super—strategic planning and rsch; Richard May, mgmt super; David Harris, acct super—Army Reserve; Phoebe Moore, acct super—direct mktg & pr; Richard Tobin, acct super—Army field force.

Lockhart & Pettus, New York—Minority Recruiting—Ronn D. Harris, senior vp.

Sosa & Assoc., San Antonio—Army Hispanic Recruiting—Lionel Sosa, president.

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Brooklyn, NY 11217

Staff personnel

Maj. Gen. Jack O. Bradshaw, commanding general, U.S. Army recruiting command
Maj. Gen. Allen K. Ono, commanding general, U.S. Army recruiting command
Col. Donald Borden, dir—adv & sales promo, U.S. Army recruiting command

U.S. ARMY ROTC

Marketing Personnel

Maj. Gen. John P. Prillaman, deputy chief of staff-ROTC, U.S. Army Training & Doctrine Command
Col. Michael C. Schmidtman, chief-adv & media div

Advertising Agency

N W Ayer, New York— Army ROTC—George Eversman, exec acct dir; Lamarr LeMonte, mgmt super; Wm. P. Kelly, acct super—ROTC.

U.S. NAVY

Marketing Personnel

Capt. L.A. Halye, dir-recruiting adv
Cdr. Allen Sherwood, dir-adv operations div

Advertising Agency

Ted Bates Advertising, New York—Navy—Jack Costello, mgmt rep; Mark Morris, exec vp; Dennis Zolnierzak, acct dir.

U.S. MARINE CORP.

Marketing Personnel

Brig. Genl. J.R. Joy, dir-personnel procurement div
Col. C.E. McDaniel, dir-personnel procurement div
Lt. Col. J.T. Luken Jr., head-mktg branch
Maj. David J. Turner, head-mktg branch

Advertising Agency

J. Walter Thompson USA, Washington—Marines—Michael Greene, group acct dir; Jeff White, mgmt super; Hal Chase, acct super.

U.S. AIR FORCE

Marketing Personnel

Brig. Gen. Robert L. Rutherford, commander, U.S. Air Force Recruiting Service
Brig. Gen. William J. Porter, commander, U.S. Air Force recruiting service
Col. Melvyn Cummings, dir-Air Force recruiting adv & publicity

Advertising Agency

D'Arcy MacManus Masius, New York—U.S. Air Force—Steven Seiter, exec vp-acct group dir; Dan Cole, vp-mgmt super; John Roth, vp-acct super; Jim Bridges, business mgr; Shari Bleir, acct exec; Doug Laughlin, acct super; Jim Bridges, business mgr; Shari Bleier, acct exec.

NATIONAL GUARD

Marketing Personnel

Lt. Col. Norman Goldstein, Chief, National Guard Bureau Advertising Support Center
Lt. Col. Durward M. Rushforth, Chief, Army National Guard Recruiting & Retention Management Center
Lt. Col. Larry W. Martin, Chief, Air National Guard Recuiting & Retention Branch
Lt. Col. Robert Baxter, Chief, recruiting & Retention Mgmt Center

Advertising Agency

Needham Harper Worldwide, Washington—National Guard—Fred Jaffke, acct dir; Tim Labus, acct super Army Natl Guard; Al Cockrell, acct super, Air Natl Guard; Carl Henderson, field force super.

TRANSPORTATION DEPT
(Coast Guard)

Marketing Personnel

Capt. Gary F. Van Nebel, chief, recruiting division
Lt. Cmdr. Charles Winfrey, chief, recruiting adv branch
Lt. Cmdr. Philip G. Matyas, chief, recruiting adv branch

JOINT RECRUITING

Marketing Personnel

Lynn Lucchetti, dir
Maj. Yolan Laporte, USAF, chief, joint adv operations
Maj. John Schlegel, financial mgmt officer
Capt. George Last USMC, program adv mgr
Lt. I. Ortiz, USMC, program adv mgr

Advertising Agencies

N W Ayer—Bill Blumer, acct super, ROTC; Dave Clark, Vivian Niemann, acct supers, active Army; James Hanzlik, mgmt super; David Harris, acct super, Army reserves; Nancy Erickson, acct super-dir mktg; Tom Ford, acct super for pr.

Grey Advertising—joint recruiting program—John G. Marder, mgmt rep; Harvey Robinson, mgmt super; Gary Niebauer, mgmt super; Robert Ravitz, mgmt rep; Len Susman, acct super; Peter Johnson, acct super; Sherman Landwehr, senior acct exec.

U.S. POSTAL SERVICE

Marketing Personnel

William Morison, asst postmaster genl-customer services
John Wargo, dir-commercial mktg
Gary Stevens, mgr-adv services branch
Gordon Morison, asst postmaster genl-customer services

Advertising Agency

Young & Rubicam, New York—Bud Hall, mgmt rep; Richard Kebbon, Bill McGorry, Terry Pranses, acct supers; Jay Foley, Jack Lipton, Josh Moritz, acct execs.

AMTRAK

Marketing Personnel

William S. Norman, exec vp-mktg & business devel
Robert E. Gall, vp-transportation mktg, sales & adv
William Castleberry, dir-adv & sales promo

Advertising Agency

Needham Harper Worldwide, New York—Roy Lancaster, senior vp-mgmt rep; Warren Ruden, mgmt rep; Sharon Teal, Cheryl Wright, acct supers.

TREASURY DEPT.
BUREAU OF THE MINT

Marketing Personnel

Dean Mitchell, exec dir-Olympic Coin Program, Olympic medal sales
Francis Frere, asst dir-mktg, U.S. Gold

Advertising Agency

D'Arcy MacManus Masius, New York—Poppe Tyson, president-acct super; Charles McConnell, project dir; Jim Bridges, business mgr; Fergus O'Daley, acct super.

RANK
17

Unilever U.S.

New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	18,760	19,140	-2.0
Net income	583	559	4.3
U.S.			
Sales	3,606	3,119	15.6
Operating profits	220	203	8.4
Advertising	396	326	21.5
Division sales			
Margarine/dairy	5,149	4,850	6.2
Other foods	5,044	5,214	-3.3
Detergents	3,889	4,031	-3.5
Personal products	1,036	1,047	-1.0
Chemicals	1,505	1,437	4.7
Paper/plastic/pkg.	566	626	-9.6
Animal feeds	1,035	1,417	-27.0
UAC International	1,001	1,179	-15.1
Plantations/other	690	798	13.5

During 1984, Unilever U.S., New York, dug deep into its pockets to support a plethora of new products, particularly those in its largest U.S. division, Lever Brothers. National spending in advertising climbed 21.5% over 1983, to an estimated $395.7 million, making Unilever U.S. the nation's 17th leading advertiser.

Combined sales of the three major companies attached to Unilever U.S.—Lever Brothers, Thomas J. Lipton Inc. and National Starch & Chemical Corp.—climbed 15.2% to $3.8 billion in 1984. Net earnings rose 6% to $133.4 million.

Unilever B.V, the Netherlands' parent, in mid-September, 1985, made a move to expand its U.S. holdings by seeking to buy Richardson-Vicks, Wilton, Conn. The offer amounted to $54 a share, or $1.24 billion. The offer was rejected by Richardson-Vicks, which markets Vicks cough drops, Clearasil acne treatment and Vidal Sassoon shampoo.

The move demonstrated Unilever is not only on the prowl for expansion, but also is moving into the market as an unfriendly suitor. The company took over Brooke Bond tea merchants in Britain in a hostile takeover in the fall of 1984 and reportedly had given R-V preoffer assurances it would not engage in an unfriendly takeover. R-V took the cash offer, judged fair in most financial quarters, as hostile.

Lipton reported earnings of $71.3 million on sales of $1.1 billion, a 10.5% and 13.1% jump, respectively. Sales at National Starch rose 11.3% to $842.6 million. Improved cost-control measures helped push up earnings 17.7% to $55 million.

Sluggish earnings at Lever, however, held down total results. Lever's earnings dropped from $14.6 million in 1983, to $7.1 million for the same period in 1984, on sales that were up 15% to $1.8 billion. Despite the downturn in profits, it was only the second year since 1977 that Lever showed a profit.

Unilever is not holding back in advertising for Lever and others. Measured spending for its three U.S. divisions was up 21.6% to $226 million in 1984. The company also spent an additional $169.7 million in unmeasured advertising, up 22% from 1983. The unmeasured primarily included spending on point-of-purchase, coupons and direct mail.

A rash of new product launches and intensified ad support for existing brands put a crimp in Lever's earnings. Lever made a gutsy midyear decision to accelerate the launch of a crop of new products, including Sunlight automatic dishwashing detergent, Snuggle fabric softener and Surf laundry detergent. During 1984, Lever made its greatest marketing push to date against archrival Procter & Gamble in several household products areas.

Lever's Wisk liquid laundry detergent, backed with $18.4 million in measured media spending, held on to its top spot in the liquid segment of the detergent market with a 9% share. It also held a second-place spot in the total detergent business behind P&G's Tide powder. To capitalize on the strong Wisk name, Lever is planning a Wisk powder version.

The company fired another salvo with its new Surf powder. This is Lever's shot at gaining share in standard-density powders, the largest segment of the $3 billion heavy-duty laundry business. In its Houston test market, Surf, backed with $1.6 million measured spending, grabbed an impressive 13% share. The ad pitch for Surf is that it removes laundry odors. P&G liked the theme so much it borrowed it in its campaign for unscented Tide.

Backed with a $2.8 million measured spending budget, Lever set out to steal share away from P&G's Downy and Bounce fabric softeners. According to New York-based Salomon Brothers analyst Hugh Zurkuhlen, Snuggle has garnered about a 10% to 20% share and has eroded P&G's hold on the category. Lever's push for Sunlight automatic dishwashing detergent helped pull P&G's Cascade to less than a 50% share for the first time in years. A spending budget of $11.6 million helped Sunlight liquid light-duty detergent steal share from P&G's Joy, Ivory and Dawn. It ended the year with an 8% share.

In bar soaps, heavier spending behind Dove ($12.8 million in measured media), Caress ($8 million in measured media) and Shield ($7.3 million in measured media) helped increase Lever's total share of market from 18.5% in 1983 to 24% in 1984. Although Dove remains its biggest brand, Shield was able to carve out a 3.5% share and Caress a 4% share of the soap business, according to Mr. Zurkuhlen.

The toothpaste war was a bit rougher for Lever. "Lever was hit hard in toothpaste," Mr. Zurkuhlen says. "Share for Aim dropped to 10% while Close-Up came in at 6%." The decline in Aim's market share—it once controlled 14% of the market—hurt the most. Recently, Lever shifted the $20 million Aim account from Ogilvy & Mather, New York, to SSC&B. Lever called the move a consolidation, but many industry observers believe it was designed to provide Aim with a needed shot in the arm. Aim has a reported 9% share in the market, and Lever Bros.' Close-Up holds 8%.

Lever increased spending in 1984 on Signal mouthwash 37.5% to $4.4 million in an effort to score higher than a 10% share of the mouthwash business.

Lever also found itself up against some heady competition in the haircare market. The company's Dimension shampoo and conditioner line (backed with $15 million measured media) met up with eight other new product launches all vying for a chunk of the $3 billion market.

Dimension shampoo lost share during 1984, dropping from a one-time high of 6% to 3.6% at year's end. In the first quarter of 1985, Dimension's share dipped to 2.6% in supermarkets, according to Diana Temple, an analyst with Salomon Brothers, New York. In 1985, Lever will begin its assault on the botanical end of the shampoo business with Timotei, a brand Unilever currently sells in Norway, Sweden and Switzerland. J. Walter Thompson USA handles the account with the theme, "So mild you can wash your hair as often as you like."

Body sprays, a category Lever pioneered in the U.S., did not pan out to be the $100 million category industry suppliers had hoped for. In 1984, body sprays grew to only $65 million in sales. The flattening of the market hurt Impulse's total share, which dropped from a one-time high of 3.5% to 2.4%, according to Ms. Temple. Lever lowered its spending on Impulse—to reflect the market trend—by 17.6% to $6.1 million.

Unilever completed its acquisition of Shedd's Food Products during 1984, and those products were incorporated in Lever's food business. The foods division, aided by the strength of Shedd's Country Crock brand, achieved its first profit in 10 years.

Measured spending for Shedd's was $6.1 million. Shedd's joins Lever's Mrs. Butterworth's syrup and Imperial margarine as Lever food brands. Spending was down for Mrs. Butterworth's from $2.7 million in 1983, to $2.5 million. A new Imperial light margarine was launched. Imperial was backed with $2.3 million of measured spending, up 15% from 1983.

Lipton was also active on the new products front. Early in 1985, the company introduced decaffeinated beverages including an instant tea, sugar iced tea mix and a NutraSweet decaffeinated version. During 1984, Lipton continued to put heavy media dollars—$17.3 million measured—into teas to retain its dominant position. Lipton continued to market its popular instant soup mixes and introduced a new line of International Soup Classics.

Wish-Bone salad dressings received a face lift and a new ad pitch last year. The packaging now includes a tamper-evident seal, while the new campaign encourages consumers to "Give salads their fondest wish." Last year, Lipton sank $5.4 million of measured media into Wish-Bone. This year, Lipton is testing Wish-Bone Country Inn refrigerated spoonable dressing.

Two big launches falling under Lipton's Sunkist logo are Fun Fruits, bite-sized chewy fruit pieces, and Sunkist Light, a NutraSweet enhanced powdered drink. In total, Lipton backed its Sunkist products with $5.2 million of measured spending in 1984.

In addition to its shift of the Aim account, Lever shuffled Impulse body spray from JWT, New York, to SSC&B, New York. Thompson was assigned to handle Dimension and the new Timotei shampoo and conditioner.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	3,141	4,589
Magazines	18,688	13,020
Network cable	1,004	909
Spot tv	59,122	55,789
Network tv	142,982	110,303
Spot radio	1,034	336
Network radio	0	683
Outdoor	0	46
Total measured	225,970	185,775
Total unmeasured	169,730	140,000
Estimated total	395,700	325,775

UNILEVER U.S.

390 Park Ave.
New York, N.Y. 10022
(212) 688-6000

LEVER BROS. CO.

Marketing Personnel

Richard C. Butler, dir, Lever media group

Household Products Division

Marketing Personnel

Andrew Seth, mktg vp
John R. Speirs, dir-mktg
Shelly A. Bigelman, mktg mgr-bar soaps
John A. Turner, mktg mgr-hard surface cleaners
George T. Mayer, mktg mgr-laundry care
David B. Sharp, mktg mgr-laundry additives
George J. Franzen Jr., sales vp
Edward L. Kiefhaber, genl sales mgr
Gloria B. Deragon, mktg rsch dir
Nancy S. DeKraker, dir-promo services

Personal Products Division

Marketing Personnel

Patrick J. Choel, mktg vp
Stephen B. Galasso, mktg mgr-hair, skin, oral
Eugene C. Marotta, mktg mgr-oral hygiene
Paul E. Regan, sales vp
Patrick J. Peters Jr., genl sales mgr
James D. Clokey, mktg rsch dir
Carl J. Napor, promo planning dir

Foods Division

Marketing Personnel

John O'C. Nugent, mktg vp
Michael E. Bauer, Robert A. Forrester, Celene Varasano, mktg mgrs
Leonard C. Giambrone, sales vp
Lynn Johnson, mktg rsch dir

Special Markets Division

Marketing Personnel

Gerald V. Batti, vp
E. Russell Sherwood, mktg dir
James J. Barone Jr., genl sales mgr, armed forces, domestic
Thurlow C. Morgan, genl sales mgr, civilian markets
S. Ray Marks, sales planning dir

Industrial Division

Marketing Personnel

Conrad W. Petersen, genl mgr
Riley N. Stone Jr., mktg mgr
Harold W. Jackson, sales mgr-detergents & toiletries
Joseph P. Kysel, mgr-detergent & chemical prod
David L. Gershman, sales mgr-government accts

Advertising Agencies

BBDO, New York—Wisk, Sunlight dishwashing detergents, Caress bar, Lux liquid, Signal mouthwash, Mrs. Butterworth's syrup, selected brands in Puerto Rico for Special Markets div—Margaret Evans, mgmt super; Amy Ross, acct super; Lauren Abbe, acct exec; Gretchen Hoffman, asst acct exec.

McCann-Erickson, New York—Promise margarines—Pat Higgins, acct super; Linda Luca, acct dir; Marsha Badanes, senior vp-mgmt rep; Jeff Owens, asst acct exec.

Moss & Co., New York—military market, Hawaii, Alaska & Guam for Special Markets div—Harry Rhiengold, acct super.

Ogilvy & Mather, New York—Dove bar, Final Touch fabric softener, Imperial margarines, Surf detergent. Imperial—David Mechlin, vp-mgmt super; Michael Edmeades, acct super; Gale Sprecter, acct exec. Dove—Jerry Lantz, vp-mgmt super; Pat Pilkonis, acct super; Lea Boyar, acct exec. Final Touch—Jerry Lantz, vp-mgmt super; Sally Luce, acct super; Meryl Pearlstein, acct exec. Surf—Amy Kroninger, acct super; Steve Kennedy, acct exec.

Richard Lewis Corp., Scarsdale, N.Y.—industrial & institutional prod—Richard Byer, president.

SSC&B, New York—Concentrated All, Liquid All, Dishwasher All, Shield, Lifebuoy soaps, Snuggle fabric softeners, Aim & Pepsodent toothpastes, Impulse body spray, Pepsodent & Life Line toothbrushes, Autumn margarine, selected brands in Puetro Rico for Special Markets div. Aim—Tom Eley, mgmt super; Bill Vitriol, acct super; Sarah Bell, acct exec. Impulse—Tom Eley, mgmgt super; Dorothy Cohen, acct super; Deborah Burke, acct exec. All—Claire Berkeley, mgmt super; Russell Nype, acct super; Tom McDermott, acct exec. Snuggle—Claire Berkeley, mgmgt super; Nancy Korda, acct super; Susan Janetta, acct exec. Shield—Claire Berkeley, mgmt super; Russell Nype, acct super; Irene Little, acct exec.

Stone & Simons, Southfield, Mich.—Shedd's spread, Country Crock spread—Howard Dembs, super; Doug Stone, Lori Young, acct execs.

Sudler & Hennessey, New York—professional programs—Wayne Traub, vp-acct super.

J. Walter Thompson USA, New York—Close-Up toothpaste, Dimension shampoo & conditioner, Timotei shampoo. Close-Up—Steve Dworin, senior vp-mgmt dir; Bea Lothrop, vp-senior acct super. Dimension & Timotei—Steve Dworin, senior vp-mgmt dir; Bill Gross, vp-senior acct super; John Mittnacht, acct exec.

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Marketing Personnel

Dolph W. von Arx, exec vp-genl mgmt group
James W. Benson, senior vp-mktg
Gerald B. Boycks, vp-beverage div
Anthony L. Franke, vp-foods div
Edmund Ladendorff Jr., vp-mktg support
Elwood L. Qualls, vp-genl mgr, Broker, Products & Special Markets div
Max J. Ballard, genl mgr-Good Humor
Peter Newton, genl mgr-foodservice
Anthony G. Montuori, dir-sales promo & coord
Vivian Bruno, dir-mkt rsch
Bruce Hoenig, dir-media services
Theodore Labiner, dir-creative services
David P. Bell, dir-prod mgmt, soup & recipe prod
Allen L. Carlson, dir-prod mgmt, new beverages projects
Daniel Morrison, dir-prod mgmt, frozen & chilled prod
Arthur P. Gonis, dir-prod mgmt, regular & specialty teas
Richard P. Kundrat, dir-prod mgmt, meals, side dishes & new prod
Angelo LaMantia, dir-prod mgmt, condiments & snacks
Gregory G. Knoll, dir-prod mgmt, convenience teas

Advertising Agencies

Bozell & Jacobs, Chicago—Lipton Noodles & Sauce, Lipton Rice & Sauce, Pennsylvania Dutch Egg Noodles, Knox Gelatin—Michael Peroff, senior vp-mgmt super; Sven Welander, acct super.

Dailey & Associates, Los Angeles—Lawry's Foods—Stephen Chabre, genl mgr-coo; John Hartig, acct exec.

Foote, Cone & Belding, New York—Wish-Bone salad dressing, Sunkist juices, Sunkist Fruit Rolls, Sunkist Fun Fruits—David M. Roethgen, vp-mgmt dir.

Matsumoto-Herzog Inc., Los Angeles—Lawry's Restaurants—Robert Herzog, acct exec.

Albert Jay Rosenthal & Co., New York—foodservice—Marvin Haas, mgmt super.

SSC&B, New York—teas, Cup-A-Soup, Good Humor ice cream—Harold Rover, vice chmn; Donald Linton, Edward Parker, senior vps-mgmt supers; Brad Majors, Robert Nadelman, Nancy Poor, Jody Wiethoff, vp-acct supers.

Young & Rubicam, New York—Lipton Soup Mix—John Hatheway, exec vp, group dir; Edward Concannon, vp-acct super; Cathy McCarthy, acct exec.

Union Carbide Corp.

RANK 78

Danbury, Conn.

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Sales	9,508	9,001	5.6
Net income	323	79	308.9
U.S.			
Sales	6,766	6,189	9.3
Operating profits	677	416	62.7
Advertising	93	89	4.2
Division sales			
Petrochemicals	2,636	2,551	3.3
Industrial gases	1,522	1,361	11.8
Metals/carbon prods.	977	1,024	-4.6
Consumer prods.	1,907	1,895	0.6
Specialty products	2,466	2,170	13.7

For Union Carbide Corp., the 78th largest national advertiser with estimated ad expenditures of $93 million in 1984, up 4.2% over the previous year, 1984 was a year of extremes—substantial increases in sales and net income on one hand and tragedy in Bhopal, India, on the other.

Sales for the Danbury, Conn.-based company in 1984 were $9.5 billion, a 6% increase from 1983, and net income was $323 million, a substantial increase from $79 million in 1983. The immediate effect of the disastrous chemical leak in Bhopal, India, on Dec. 3, 1984, showed up in reduced earnings as the company took $18 million from the net income figure to cover operating, distribution and administrative costs incurred and anticipated relating to the accident.

The company took major steps to shore up its business performance in 1984-85 through reorganization at the company and job eliminations. The company also took efforts to thwart takeover attempts by parties accumulating Union Carbide stock, which has shot up because of takeover rumors and because of Carbide's announced plan to purchase its own shares.

Although 80% of Carbide's sales are in industrial products and technology services, the consumer products division, accounting for 20% of sales, is responsible for virtually all of the company's advertising. Division products include Eveready and Energizer battery products, Glad bags, Prestone antifreeze and Simoniz wax and car products. Revenues from consumer products were a little more than $1.9 billion, up less than 1% from 1983. The company realized 23% of its operating profit from consumer products in 1984, down from 32% in 1983.

The weak performance of the company's consumer products segment reflected a 5% drop in international sales. Domestic consumer product sales were up 4% from 1983, despite a 4.5% drop in measured domestic advertising expenditures.

The December accident at the Bhopal pesticides plant, which killed more than 2,000 people, cost the company more in bad publicity than it apparently did in strictly financial terms, at least in the short run. Officials set aside $17.6 million for initial expenses involved in coping with the disaster, but still reported earnings of $13 million in the fourth quarter of 1984.

However, recent signs have been more ominous. Revenues in the first quarter of 1985 dropped 9% from the first quarter of 1984, to $2.2 billion. The second quarter results also were down 6.2%, to $2.3 billion.

Analysts say, however, that Bhopal is not a factor in the financial decline. "The entire industry is down," says Leslie C. Ravitz, a vp at Salomon Brothers, New York. "There's been a significant erosion in petrochemicals, and U.S. productivity in general has been going nowhere in the past 10 or 11 months. Union Carbide's performance is about on par with the rest of the industry."

U.S. contribution to 1984 Union Carbide sales was $6.8 billion, or 71% of corporate sales, while U.S. profits were $677 million, 69% of total profits.

Measured ad expenditures in the U.S. last year totaled $50.6 million, down from $53.1 million in 1983, with tv accounting for 72% of the total, or $42.1 million. The decline in measured spending was accounted for in tv outlays, which dropped $3.1 million.

Union Carbide put the biggest share of its tv advertising budget into its Eveready products—almost $21 million for both spot and network. The company's new line of Energizer halogen flashlights, introduced last fall, was promoted with a $1.6 million tv budget, virtually all of it on network.

Among Union Carbide's unmeasured advertising estimate of $43 million in 1984 were efforts in the Summer Olympics, in which the company was designated exclusive supplier of flashlights and batteries. Union Carbide also financially supported several U.S. teams.

Media receiving year-to-year increases were spot radio, which had advertising of $3.6 million, up 28.6%; farm publications for Union Carbide agricultural chemicals, $2.2 million in 1984, up 28%, and outdoor, $1,000 in 1984 vs. zero expenditure in 1983. In all other measured advertising categories Union Carbide spent less in 1984 than in 1983. Magazine ad expenditures were down 47%; network cable, 21%; spot tv, 32%; network tv, 4%, and network radio, 3%.

The Eveready line represented about 44% of total measured advertising in 1984, or $22.2 million, with $18.9 million of that going to network tv and almost $1.3 million for newspaper supplements.

The second largest consumer product advertising budget was for Glad bags, for which Union Carbide spent $13.2 million, down from slightly more than $14 million in 1983. Again, the biggest share of that went for network tv. New products introduced in 1984 included a Glad cling wrap and a redesigned Glad disposer bag using fewer resins, made from Union Carbide's linear low-density polyethylene.

Prestone antifreeze advertising also dropped slightly to $7.4 million in 1984 from $7.5 million in 1983. The company says Prestone II's market share increased, even though prices were up. Prestone's market share was estimated at 53% in 1984, and later rose one or two percentage points. Brian Corvese, analyst with Drexel Burnham Lambert of New York, expects the share to rise more in 1985 because Dow chemical stopped producing competitor, Dowguard. The No. 2 share was held by Peak, put out by Northern Petroleum.

For Simoniz automotive products, Union Carbide spent $927,000 in advertising in 1984, down almost 50% from 1983. According to the company, sales of Simoniz products were hurt by a market swing to lower-priced waxes, but the products' over-all market position did not change.

Simoniz, with a 10% to 12% of the market, ranks third or fourth after Turtle wax of Turtle Wax Inc. at No. 1 and Du Pont's Rain Dance at No. 2.

The Bhopal incident, however, haunted Union Carbide, which replaced the president of the agricultural products division, Robert Oldford at his own request (the division has authority over the pesticides plants in Bhopal and Institute, W. Va., where there also have been leaks). Mr. Oldford, responsible for operations at the Institute plant, has taken other assignments.

The agricultural products division has been included in a reorganization of the company's chemicals and plastics businesses.

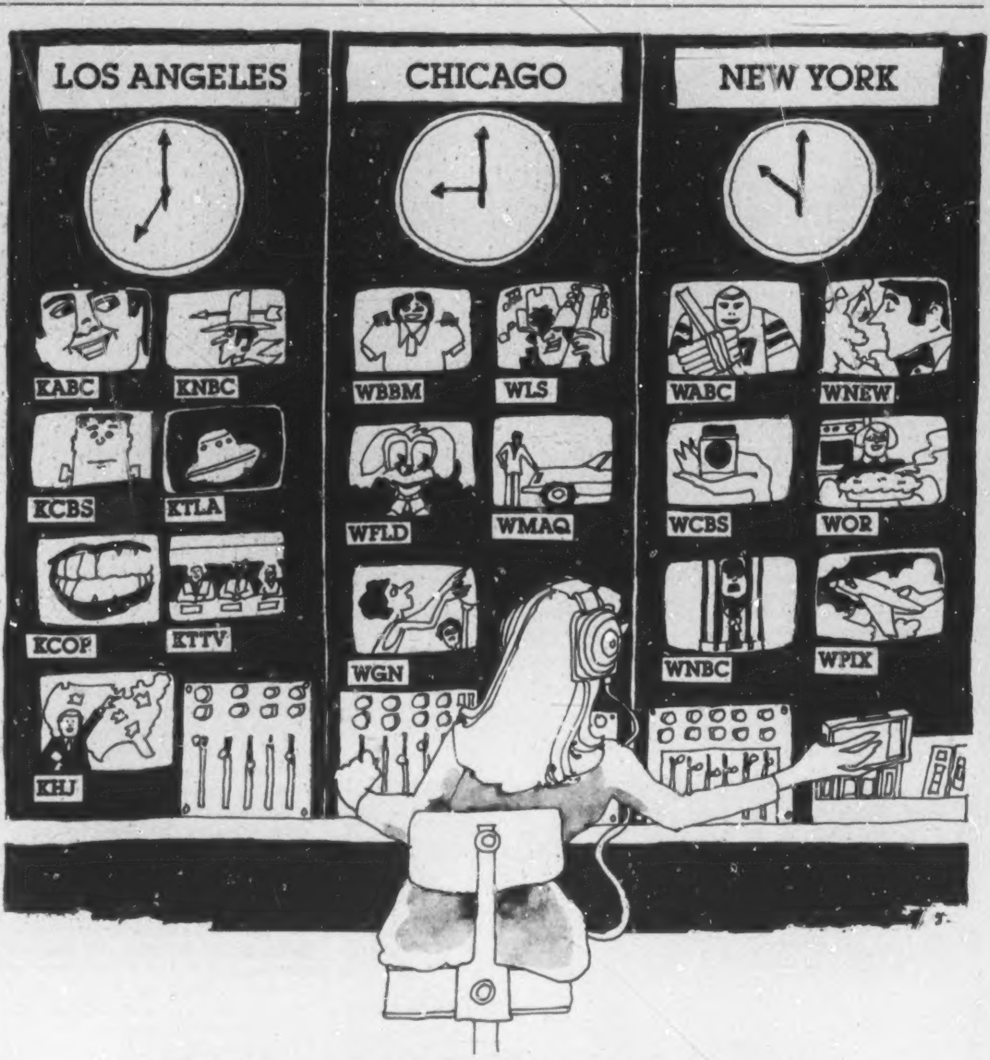
Announced in late August, 1985, it involved the consolidation of diverse units within the divisions and the elimination of 4,000 jobs by early 1986, many of those in the Danbury corporate headquarters. Analysts believe the consolidations will make it easier for Carbide to sell or close some business lines.

The company also has been moving rapidly in buying back its own stock. In late August, it announced a plan to buy 10 million of its 70.5 million shares. Such a move, typical of companies facing takeover, increases a company's earnings per share, raises the share value and ultimately makes a takeover more expensive. This came at the time GAF Corp. disclosed it had increased its holdings in Carbide stock from 7.1% to 9.9% with intent to possibly merge.

Although Union Carbide historically has sought its major revenues from petrochemicals and its metals and carbon products division, the former faces a worldwide overcapacity, and the latter has been hurt by its dependence on the long-ailing American steel industry.

In recent years, Union Carbide has been concentrating investment in its industrial gases, consumer products, and technology, services and specialty products division.

Union Carbide also is moving to divest itself of unproductive holdings. Besides closing the Bhopal plant, it indefinitely closed a major petrochemical facility in Puerto Rico and completed the sale of its interest in a Swed-



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However, operations did begin in 1984 at an ethylene glycol plant in Alberta, Canada, as did an oxo-alcohol facility at Carbide's Texas City, Tex., plant. It announced this year that it will build a plant in Ohio to produce resins used in making plastic products.

Carbide paid $78 million to Beatrice Cos. for STP Corp., the Boca Raton, Fla., company that makes oil and fuel additives. STP had measured ad spending in 1984 of $5.5 million, up 31% from 1983, according to LNA. STP reported sales of $97 million in 1984. Its products will fit in with other aftermarket Carbide products, Simoniz and Prestone.

In one major 1984 marketing move, Union Carbide moved its $2 million home products account from Leo Burnett USA, Chicago, to SSC&B:Lintas New York.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,649	1,803
Magazines	376	715
Network cable	419	531
Spot tv	2,985	4,420
Network tv	39,088	40,716
Spot radio	3,581	2,847
Network radio	291	300
Outdoor	1	0
Farm pubs	2,210	1,723
Total measured	50,599	53,054
Total unmeasured	42,401	36,199
Estimated total	93,000	89,253

UNION CARBIDE CORP.
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Danbury, Conn. 06817-0001
(203) 794-2000

Marketing Personnel

Corporate

J.W. Goetz, dir-corp communications
E.J. O'Keeffe, dir-headquarters operations

Divisions

W.J. McDermott, dir-adv & sales promo, home auto prod
G.D. Klein, mktg mgr-adv, battery prod div
D.A. Koss, super-mktg communications, electronics div, components dept
J.S. Witemeyer, mgr-communications, silicones urethane intermediates div
J.D. Secor Jr., dir-communications, Linde div
P.J. Lavelle, mgr-communications, specialty polymers composites
W.E. Mainella, mgr-communications, specialty chemicals div; solvents & coatings materials div, UCAR emulsion systems
P.A. Hiznay, mgr-communications, ethylene oxide/glycol div
L.A. Agnello, dir-communications, polyolefins div & unipol systems
E. Jusko, mgr-communications, engineering & technology services div
R.A. Mariani, mgr-communications process systems & services, catalysts & process systems div
James F. Haskins, mgr-communications agricultural prod
John Crane, mgr-communications, metals div
D.C. Kaminsky, mktg communications mgr, molecular sieves, catalysts & process systems div
R.W. Badger, mktg communications mgr, cyrogenics equipment, engineering prod div
C.R. McKinsey, mgr-mktg services, coatings services, engineering prod div
P.A. Liptrot, mktg services, electrode systems div
Mark Miller, mktg communications mgr, engineering prod & process div

Advertising Agencies

Ally & Gargano, New York— Simoniz car waxes & Prestone car care prod—Dennis Visich, mgmt dir; Louis Killeffer, vp-acct super.

Bozell & Jacobs, New York—corp issues —Dave Venghaus, mgmt super.

Leo Burnett USA, Chicago—automotive prod—Bill Haljun, mgmt dir; Mike Miller, vp-acct super; Michelle Kristula-Green, Warren Guthrie, acct execs, Glad prod; Hank Feeley, mgmt dir; David Smith, acct super; Tim Ronan, acct exec, Prestone Anti-Freeze.

Downs Group, Charlotte, N.C.—electronics div—Tyler Glen, acct exec.

William Esty Co., New York—battery prod div—Harold Greer, senior vp-mgmt super; Randolph Mercien, senior vp-senior acct super; Whitney Beebe, vp-acct super; William Gibbons, Donald Gahan, John Owen, acct execs.

Fletcher/Mayo/Associates, Atlanta—agricultural prod div—Dennis Eilers, acct super.

Fulton & Partners, New York—Linde div —Joseph Rinaldi, exec vp-acct super.

Garrison Jasper, Rose & Co., Indianapolis—coatings service, cyrogenic equipment, engineering prod, Linde div—Tom Jasper, Jim Gray, acct execs.

The Highland Group, Southport, Conn.—Ethylene oxide/glycol div— Bob Heintz, vp.

J.P. Hogan Inc., Knoxville, Tenn. —chemicals & plastics—R.J. Luedeka, vp-acct super.

Manning & Associates, San Diego—materials group electronics div—Donald S. Manning, acct mgr.

Marquardt & Roche, Stamford, Conn.—engineering prod & processes—Bill Hinds, acct exec.

Mintz & Hoke, Avon, Conn.—molecular sieves, catalysts & process systems div—Joseph M. Hoke, president-creative dir; Dale Kesel, exec vp-genl mgr.

Needham Harper Worldwide, New York —chemicals, plastics, carbon fibers—H.F. Berteau, acct super; Abby Mann, acct exec.

Ogilvy & Mather, Atlanta—agricultural prod div (specialty markets)—Ed Brown, acct super.

Poppe Tyson, division of D'Arcy MacManus Masius, New York—chemicals, Linde div—Roy Duffus, vp-acct super; F. Messner, Howard Gauvain, Diane Frattine, G. Miknich, acct execs.

STG Marketing Communications, Fairfield, Conn.—electrode systems div—George Crosby, vp-acct super.

Van Munching & Co.

New York

RANK 100

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	350	N/A	N/A
Net income	9	N/A	N/A
Advertising	59	39	50.8

Van Munching & Co., New York, was the 100th largest national advertiser in 1984 with estimated national advertising of $59 million, an increase of 50.8% over 1983.

The major boost in advertising was attributed to the introduction of Grizzly beer at a measured ad cost of $6.2 million—all in spot radio, and to a 47% increase in measured spending for Amstel Light to $14.7 million, and an increase of 31% in Heineken measured spending to $28.7 million.

Advertising was weighted heavily toward spot radio, in which Munching spending soared to $30.7 million, up 110% from the previous year.

At a time when domestic beer sales are slowly moving at a 2.5% growth rate, imports continue to thrive—the category increased 16.8% in 1984. Van Munching is in good shape with its market leader, Heineken. Amstel Light and Grizzly Canadian Lager are both growing forces in the field.

Industry sources attribute as much of the company's success to Van Munching's work ethic as to the products themselves.

Leo Van Munching Jr., who succeeded his father as company president in 1980, takes a hands-on operating approach to the company that keeps employes—from top executives to distributors—on their toes.

But his success as a manager is not surprising. Mr. Van Munching trained for many years watching his father operate in much the same fashion, which established the Van Munching style as intense, smart, thorough and enormously successful.

Leo Van Munching Sr. had been awaiting his opportunity to enter the U.S. beer market, and on Dec. 6, 1933 —the day after prohibition ended—he got his chance. With his wife, two children and 25 cases of Heineken, he headed for the States. His mission: to win the hearts of America with the Dutchmen's favorite beer.

Van Munching & Co. was incorporated as the exclusive U.S. importer for Amsterdam-based Heineken in 1946. The private company in 1984 had estimated sales $350 million and aftertax profits of $9 million.

Cash shipments at Van Munching grew to 32.2 million in 1983 (1984 figures have not been released), according to "Impact," an industry newsletter published by M. Shanken Communications, New York. Heineken in 1984 accounted for about 34% of total import shipments of 87 million cases. Imports shipments between 1973 and 1983 enjoyed an annual annual growth rate of 18% per year.

Heineken's import share in 1984, however, slipped from 37% the previous year, losing the couple of points to German beers such as Beck's and St. Pauli Girl. It still holds a comfortable lead over No. 2 Molson, which has a 15.9% share of the market.

As other foreign brewers have recognized the opportunities for success in the import category, the competition has mounted. Most importers stepped up their ad budgets, but none to the extent of Van Munching, whose accounts are handled by SSC&B, New York.

Van Munching spent a measured $28.5 million on Heineken in 1984 and $14.7 on Amstel Light. Molson, the next biggest importer, spent a measured $11.5 million on its Molson brands in 1984.

Both Van Munching and Molson spend heavily on spot radio. Van Munching's total measured ad budget allotted 61.9% to the medium, while Molson put 79.1% of its measured advertising into spot radio.

Van Munching's approach to promoting Heineken has been to communicate its implied import quality, and to ascribe to it a special mystique. Since 1981, Heineken's ads have carried the theme, "Come to think of it, I'll have a Heineken."

Although a member of the SSC&B team has explained that "the real challenge is for other beers to differentiate themselves from Heineken," Van Munching is by no means relying solely on the momentum that propelled Heineken into its No. 1 position to keep the company on top. Over the last few years the company has expanded its product line to include Amstel Light, introduced in 1981, and Grizzly beer, Van Munching's entry into the fast-growing Canadian Lager category. Grizzly was introduced in 1984 with a $6.2 million splash on spot radio.

Responding to consumer interest in low-calorie alternatives, Van Munching in 1981 introduced Amstel Light as the first premium imported light beer. The timing came on the tail end of the light beer explosion (industry growth figures dropped from double digit annual growth rates in the 1970s to 4.9% in 1983). But Amstel Light in four years has become the No. 1 imported light beer and the No. 10 imported beer over-all. The brand has also tripled its sales—from 300,000 cases in 1981 to 1 million cases last year—the bulk of growth occurring from 1982-1983 according to *Market Watch*, which monitors the industry.

Additionally, there is speculation that the popularity of Amstel Light has contributed to the slight falloff in Heineken market share.

Amstel remains one of the most supported imported beers by any importer, with $11.5 million of its $14.7 million total spending going into spot radio. The company says it plans continued budget increases.

The brand's SSC&B-created campaign, "95 calories never tasted so imported, 'til they imported Amstel Light," debuted only in radio and print, later moving into tv in 1984. The popular theme will be maintained in the coming months.

Of late the Van Munching entry to watch is Grizzly Canadian Lager. Van Munching introduced Grizzly in 1983 during the rise in popularity of Canadian lagers spurred on by the success of All Brand Importers' Moosehead Bear—now the No. 4 import.

And Moosehead isn't the only Canadian lager faring well in the U.S. Three of the top five imported beers hail from Canada: No. 2, Molson which showed 10% growth in 1983; No. 4, Moosehead, which charted 18% growth; and No. 5, Labatt's which showed 7% growth. In total, the three held 28.1% of the total import market in 1983.

Originally Grizzly, billed as "the bear of beers," was geared to a college-age market, younger than that of Amstel Light or Heineken. Its humor-laced radio spots, built around a "Grizzly encounters" theme, featured characters ranging from stockbrokers to Valley Girls describing their first, strange encounters with Grizzly. They ran primarily on young adult radio stations. Supporting print ads picturing the shadow of a large grizzly billed the product as "the new party animal."

Recently, however, Van Munching has rethought its focus. New Grizzly spots are being aimed at an older more established segment. The bulk of advertising will still be done on radio, however. This year's campaign spending, is not expected to come close to the $8 million to $10 million that All Brands plans to spend on Moosehead in 1985.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	321	2,712
Magazines	6,218	5,200
Network cable	0	248
Spot tv	8,829	5,532
Network tv	3,004	2,895
Spot radio	30,651	14,684
Network radio	548	1,645
Total measured	49,570	32,916
Total unmeasured	9,400	6,200
Estimated total	58,970	39,116

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Leo Van Munching Jr., president
John McAna, vp-natl sales mgr
Alvin Nilson, adv mgr

Advertising Agency

SSC&B, New York—Heineken, Amstel Light, Grizzly Canadian Lager—John Grogan, exec vp; Rick Evans, vp-mgmt super; Peter Foulds, vp-acct super, Heineken; Gerry Meagher, acct exec, Heineken; Ron Ossip, asst acct exec, Heineken; Elaine Malave, budget coord; Robert Rosenthal, acct super, Amstel Light, Grizzly; Steve Amos, acct exec, Amstel Light, Grizzly.

Volkswagen of America

Troy, Mich.

RANK 75

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	16,364	14,364	2.1
Net income	82	-77	206.5
Advertising	103	113	-8.8

Volkswagen of America, Troy, Mich., a subsidiary of Volkswagen AG, Wolfsburg, West Germany, reduced its U.S. advertising spending in 1984 by 8.7%, to an estimated $103 million, making it the 75th largest national advertiser.

A sustained economic upturn and continued profitability of the company's VOA division in the U.S. helped the company to return to the profit column in 1984 as it netted $81.8 million in income on $16.36 billion in sales. This compared with a loss in 1983 of $77.1 million on sales of $14.36 billion worldwide.

Sales and earnings for both 1984 and 1983 were converted from DM to dollars at the rate of DM2.79=U.S.$1.

In 1984, Volkswagen AG delivered 2,147,706 vehicles worldwide, a 1.6% sales increase, in spite of short supplies caused by a seven-week strike last summer by metalworkers in West Germany. VOA sales in the U.S. rose to 248,523 units, a jump of 15.9% over a year earlier.

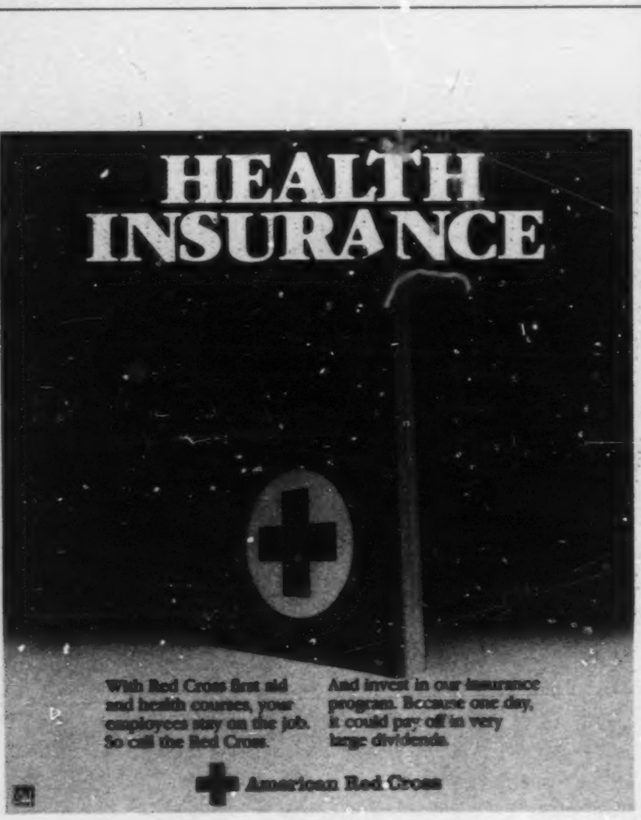
Phasing out the Rabbit from production at VOA's Westmoreland, Pa., assembly plant also ate into available supplies. But total domestic sales of 73,838 Rabbits and the Golf models at Westmoreland helped meet demand in 1984, along with sale of 103,479 imported units last year, up from 77,009 units in 1983.

These sales gave VOA a 6.7% unit share of the import market, up from 6.4% in 1983, and a 2.3% share of the total U.S. auto market, same as 1983.

VOA moved up to a 2.5% share on sales for the first six months of 1985. The second half of 1984 saw production of the new Golf started up at the Westmoreland plant. In mid-November the new U.S.-built Golf and the new imported Jetta were introduced in the U.S. VOA's 1984 import sales consisted of 37,997 for the best-selling Jetta, up from 22,017 in 1983; 18,646 for the Quantum, up from 16,485; 17,251 for the Scirocco, from 13,703; 18,025 for the Vanagon, from 15,191; and 11,559 for the Rabbit convertible, marketed since the beginning of 1985 as the Cabriolet, from 9,613.

VOA had projected sales of the imported Vanagon at 25,000 for 1984 and reportedly had doubled its Vanagon ad budget over 1983 spending.

Two new models in the VW 1985 product line, the new Jetta sedan (priced at $7,975 for five-speed two-door sedan) and the Golf coupe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($6,790 for five-speed diesel, and $6,990 for the fuel-injected model), were on the receiving end of the biggest introductory budget in the company's history. Both got strong emphasis on their German heritage as VW attempted to shed its image as "the Rabbit Car Co.," with the upscale Jetta getting about 60% of the ad budget.

Measured media figures for 1984 found a major portion of VOA ad expenditures devoted to the Jetta, a total of $14.6 million, with the spending evenly divided between network tv and magazines. Budget for the new Golf in measured media was $9.6 million, $5.8 million for tv and $3.5 million for magazines.

The Audi models, which account for 0.7% of the U.S. market, had the support of $16 million in measured media, with about $8.7 million devoted to the Rabbit and $5 million for the Quantum.

Use of tv in 1984, according to measured media, remained virtually unchanged from the previous year, with spot at $16 million and network at the $22 million level. Magazines, however, registered a $4.4 milion drop in 1984, to $33.5 million, from $37.9 million in 1983.

Unmeasured media, say VOA marketers, consisted of heavy involvement in motor sports activity and sponsorship of promotional caravans to Super Vee races; direct mail merchandising program, and collateral, point-of-sale and dealer advertising materials.

The new U.S.-built Golf and the imported Jetta were introduced in November. The Golf is positioned as the "gold standard" in the hatchback segment of the subcompact market against the Honda Civic, Renault Encore, Mazda GLC and Ford Escort-Mercury Lynx. The Jetta will compete against the Mazda 626, Honda Accord, Ford Tempo and Mercury Topaz.

Ad spending for the eight-week introductory campaign began in November, 1984, and for pre-launch teasers came to more than $26 million, up 20% over the entire fourth quarter of a year earlier. Another substantial expenditure was budgeted for the introduction of the new Golf GTI in January.

With production of the elderly Rabbit halted at VOA's Westmoreland, Pa., plant in June, sales emphasis shifted to its replacement, the Golf (Golf as in "Golf Strom" or German for Gulf Stream), an entry which is expected to boost VW's fortunes in this country. The company hopes to ride the Golf to a 3.5% share of the U.S. market by the end of the decade. The Jetta and the Golf represent 75% of VOA's 1985 offerings in the U.S., compared with 50% for VW worldwide.

Ads for the upscale Jetta two-door five-speed sedan ($7,975) got a new line—"The affordable German road car." The Golf convertible, recently named the Cabriolet, ($11,595 for the five-speed), borrowed the old Chevrolet theme with "See the U.S.A. in a Cabriolet." One tv spot showed a Golf with a driver flying into the driver's seat, much like the old Hertz commercials. But the old tag line, "It's not a car. It's a Volkswagen." was continued for another year to also be used in ads for the GTI, Quantrum, Scirocco, Cabriolet and Vanagon models.

Ads for the U.S.-made GTI, priced at $8,990, also pointed out the car's selection as the *Motor Trend* domestic 1985 Car of the Year. The GTI, like the new Golf, is made at VW's plant in Pennsylvania.

Tv ads for the 1985 introductions broke in November on CBS-TV's mini-series "Ellis Island." Except for this and "60 Minutes," all other programing buys consisted of sports, mostly football coverage. In addition to the network tv, which received 55% of the budget, national magazines came in for a 41% allotment, with the remainder of introduction expenditures going into newspapers, outdoor advertising and telemarketing.

Another 1985 entry was the Jetta GLI, a 100-hp version of the restyled Jetta (priced at $9,995 for the five-speed four-door), which was introduced with little support, mainly with word-of-mouth, a few magazine ads and no tv. VW sales executives expect to sell 20,000 GLI models, about 20% of the 100,000 Jetta sales forecast for 1985.

In mid-1985, VW introduced three of its limited Wolfsburg Edition models—the Scirocco, the Cabriolet and the Vanagon camper—which received the last gasp of the company's advertising for the model year. The mid-year introductions had the support of newsweeklies and outdoor magazines, a print-only campaign.

The end of August, 1984, saw the end of the distribution agreement between Porsche and VOA, a $9 million annual marketing effort formerly handled by the VOA Porsche-Audi division. Loss of the Porsche advertising is reflected in the reduced ad expenditures reported for VOA in 1984.

The company underwent a reorganization in September, 1985, in which Volkswagen AG set up a direct reporting tier called Volkswagen U.S. Inc. Under this umbrella sits Volkswagen of America Inc. and Audi of America Inc. The Audi division has mounted an aggressive drive to record a 25% increase —"85,000 in '85"—allowing the division possibly to overtake Mercedes as the best-selling German import in the U.S. For 1984 Audi sold more than 71,000 units, a 48.5% increase over 1983 and almost 40% more than its previous high of 50,817 units sold in 1981.

Audi sales gains were posted even with departure of Porsche, although most of Audi's 409 U.S. dealers continue to sell Porsches. Leading National Advertisers reported Audi's measured media spending for 1983 at $15 million, a figure that rose near the $20 million level in 1984 as Audi placed strong emphasis on models in a more upscale price range—the 4000-S Quattro five-speed four-door sedan at $17,450, the 5000-S five-speed wagon at $23,875 and the Quattro Turbo five-speed coupe at $35,000.

The upscale models took a portion of the 1984 ad dollars and again in 1985. But the face lifted Audi 4000 and 5000 models, which remain the bread-and-butter cars in the Audi lineup, accounted for the lion's share, or about $17.5 million, of the total $20 million 1984 ad budget.

Audi's 1985 advertising emphasizes the brand marque while setting up distinct roles for each model to help sort out previously confused car identities. At one point, earlier ads for the Audi 4000 had positioned it as a high-performance sports sedan as well as a fuel-stingy family sedan. "The art of engineering" remains the main ad theme.

The smaller 4000 was marketed on its performance, and a 4000-S Quattro tv spot focused on functional driver benefits, such as fulltime 4WD. One of few traditional glamor shots of the revamped 4000 carried the headline "The understatement of the year."

The 1985 marketing plan also saw Audi step up significantly its use of a variety of unmeasured promotional media, including support of local dealer council ad efforts, direct mail and an owners magazine, "The Spirit of Audi," which debuted in December.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	11,651	9,947
Magazines	33,515	37,902
Network cable	139	382
Spot tv	16,236	16,922
Network tv	22,034	22,170
Spot radio	843	2,989
Outdoor	774	4
Total measured	84,592	90,329
Total unmeasured	18,418	22,502
Estimated total	103,000	112,882

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Peter Fischer, vp-Audi of America Inc.
Richard Marcy, mgr-Volkswagen mktg, VW, U.S.
Anthony Kirton, mgr-Audi mktg Audi of America
William A. Geigota Jr., mgr-Volkswagen adv, VW, U.S.
Bruce Butzier, Volkswagen, mgr Audi adv
George Pizzo, Audi creative adv mgr

Advertising Agency

Doyle Dane Bernbach, Troy, Mich.—Robert Ross, president; Al Steiner, senior vp-mgmt super, VW; Willie Hopkins, senior vp-mgmt super, Audi; Sal Triano, vp-acct super, VW; Lawrence Wallace, vp-acct super, Audi; Ron Rogginger, vp-acct super VW; Jack Cooney, vp-acct super, Audi; Peter Tounides, senior acct exec, VW; Ron Zarowitz, acct super, VW.

RANK 40

Warner Communications

New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	2,024	1,720	17.4
Net income	-586	-417	40.5
U.S.			
Sales	1,737	1,366	27.2
Operating profits	224	148	51.3
Advertising	182	168	8.3
Division sales			
Film	1,080	840	28.6
Recorded music	818	756	8.2
Publishing/other	118	109	8.6

Warner Communications, New York, the 40th largest national advertiser, increased its advertising 8.3% to $181.7 million in 1984, however, divestitures of heavily advertised subsidiaries will likely cut deeply into spending levels for the media and entertainment conglomerate in 1985.

Warner's considerable sales have to do with selling off nonperforming units as well as zeroing in on its biggest and best-performing segment—entertainment.

In 1984, the company reported a net loss of $586 million, or 40% above losses in the previous year. This included $611 million in losses from discontinued operations. Total revenue increased 17% to $2.0 billion.

Ending the year with $830 million in debt, the company has been in a divestiture mode to rid itself of businesses not essential to its core operations and spin off unprofitable units.

The company also has trimmed executive and staff personnel, which has curbed corporate overhead costs by 50%. The divestitures:

- Divestitures were led by Atari, on which Warner spent $67 million of its corporatewide $181.7 million in nine measured media in 1984. Atari, a producer of home computer and home video games—the latter of which caused huge losses at Warner in the first half of 1984—was sold in June, 1984, to Jack Tramiel, former president of Commodore International, for $240 million in notes, with the option to buy up to 32% in the new company. Atari lost nearly $540 million in 1983.
- Franklin Mint, the world's largest direct marketer on which Warner spent $27.1 million in media in 1984, was sold to American Protection Industries for $167.5 million in cash and stock. Warner kept a 15% interest.
- Panavision, involved in the manufacture and leasing of photographic equipment used primarily in the motion picture and television industries, was sold for about $52 million.
- In March, 1984, Warner sold its cosmetics and fragrance division to Cosmair Inc. for $146 million; Warner Leisure, an 88.5%-owned subsidiary of Warner, halted the operation of 10 of its Gadgets restaurants; Warner disposed of controlling interest in the Cosmos Soccer Club, in July, 1984, and it sold its Pittsburgh Warner-Amex franchise to Tele-Communications Inc. (TCI) for $93.4 million.

All these efforts have begun to pay off. In the first half of 1985, Warner reported gains in both the first and second quarters. Earnings from continuing operations tripled in the first quarter, rising to $21.4 million; losses from Warner Amex shrank from $16.3 million to $4.4 million for the period (Warner and American Express hold a 50% share of Warner Amex).

In both quarters, the company cited the recorded music division as especially strong, as well as the filmed entertainment division. The broadcast and cable division also improved in the second quarter, with operating income at $356,000, compared with losses of $13.3 million in 1984.

Even with such high debt, Warner

The market and the media to ring up food store sales

The St. Petersburg-Tampa-Clearwater metro area is the super market of Florida. Not only is it the most populous and fastest growing major metro in the state, it is also the largest in food store sales … ringing up $2.4-billion in register receipts in 1984.

Pinellas County, home of the St. Petersburg Times and Evening Independent, has the largest piece of the pie. Residents here outspend neighboring Hillsborough County (Tampa) by more than $52-million.

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has become a target for takeover. The latest in a long line of suitors has been Lorimar, the entertainment and advertising conglomerate that has been seeking media properties. Lorimar owns New York-based agencies Bozell & Jacobs and Kenyon & Eckhardt.

Lorimar, in a filing with the Federal Trade Commission in late August, 1985, reported it might buy up to 15% of Warner stock at a cost of about $312.5 million. There has been much speculation that Chris-Craft Industries is interested in buying out Warner as well. Chris-Craft holds about 29.4% of Warner stock, much of it bought with Warner encouragement to fend off an unfriendly takeover attempt of Warner by publisher Rupert Murdoch in 1983.

Amid such attempts by outsiders to buy up the company, it is thought that chairman-ceo Steven J. Ross, is seeking to go private.

Warner in early September took action to buy the half of Warner Amex cable system it does not own when partner, Amex, received an offer to sell the system for $900 million from Time Inc.'s American Television & Communications Corp. and TCI.

Warner, under the joint agreement, can match any offer Amex should receive.

It in effect, countered the ATC/Tele-Communications offer in its sale of its two-thirds ownership in MTV Network and its half-interest in Showtime/Movie Channel to major communications company Viacom (half-owner already of the latter). The sales agreement contained a clause for Viacom to buy out Amex's half interest in Warner Amex within three months, or by late 1985.

Warner had spun off MTV Networks (MTV and Nickelodeon) into a public company in February, 1984, placing one-third of its stock on the market. Both MTV and Nickelodeon are supported by advertising.

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In March, 1985, Warner agreed to buy back 5.6 million shares held by Mr. Murdoch's News International at a price of $180.6 million, or $31 a share, plus $8 million in legal fees. Warner's relationship with one-time white knight, Chris-Craft, however, has soured, and now Warner is looking to regain control of the shares held by Chris-Craft.

Even though 1984 was a poor year for most of the company, some divisions did well. The recorded music and music publishing division, with performers like Prince, Madonna and Phil Collins, reported that operating income rose 48% to $89.6 million and sales of $817.6 million, up 6.8%. A proposed merger of Warner's record division, which holds about 17% of the U.S. market, and PolyGram, was halted by an injunction requested by the FTC. However, in May, 1985, the Motown Record Corp. was approached as a potential buyer of Warner's record division.

Warner's filmed entertainment division claimed 1984 as the best year in its history. Operating income rose about 36%, to about $150 million for a 19% share of the domestic box office market. Sales were $1.09 billion, up 28.6%. It is doubtful that this performance will hold up in 1985. A glut of movies in the crucial summer months has intensified competition, although two of Warner Bros.' summer releases, "Mad Max III" and "Pale Rider," were relatively successful. A total of 25 movies are scheduled for release in 1985. Warner Bros. paid more than $47 million to advertise its movies in 1984, up about $10 million from 1983.

The biggest expenditure in measured media for new releases—and virtually all spending on movies is in network tv and spot tv—was $6 million for "Gremlins." The next largest outlay, $3.8 million, went to "City Heat." Both "The Little Drummer Girl" and "Protocol" received $3.5 million. "Tightrope" got $3 million.

In the $2 million to $3 million range was "American Dreamer," "Cannonball Run II," "Never Ending Story" and "Police Academy."

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	7,912	15,718
Magazines	18,616	25,609
Network cable	1,069	1,048
Spot tv	21,219	27,445
Network tv	31,524	2
Spot radio	1,317	2,249
Network radio	0	486
Outdoor	91	300
Total measured	81,749	72,856
Total unmeasured	100,000	95,000
Estimated total	181,749	167,856

WARNER COMMUNICATIONS
75 Rockefeller Plaza
New York, N.Y. 10019
(212) 484-8000

WARNER BROS.
Burbank, Cal.
Marketing Personnel

Sandy Reisenbach, exec vp-worldwide adv & publicity
Rick Kallet, dir-co-op adv
Joe Hyams, vp-publicity
Mardi Marand, vp-dir of media

Advertising Agency

Grey Advertising, New York—Don Foley, mgmt super; Len Fogge, acct super; Frank Pellegrino, acct exec.

WARNER BROS. TELEVISION
New York
Marketing Personnel

Marsha Greenberg, dir-adv & publicity
Doug Duitsman, vp-senior adv, publicity & promo exec
Ken Fournier, vp-adv, publicity & promo
Eric Frankel, dir-pay tv mktg
Stanley Solson, vp-pay tv mktg
Jeffrey Calman, vp-sales devel

Advertising Agency

Pearlman, Rowe, Kolomatsky, New York—Gerald E. Rowe, chmn

WARNER BROS. RECORDS
Burbank, Cal.
Marketing Personnel

Lou Dennis, vp-sales
Russ Thyret, senior vp-mktg
Tom Draper, vp-black music
Sophie Beauvy, ad dir
Adam Somers, vp-creative services & operations
Pete Johnson, vp-creative dir of adv
Howard Rosen, vp-promo
Vic Faraci, vp-country music mktg
Jeff Ayeroff, vp-creative mktg

Advertising Agency

Burbank Agency (in-house)—Sophie Beauvy, dir-adv.

ELEKTRA/ASYLUM RECORDS
New York
Marketing Personnel

Lou Maglia, exec vp-mktg
Randy Edwards, vp-creative services
Mike Bone, vp-promo
Greg Peck, vp-special markets
Dave Urso, vp-pop promo
Eddie Gilreath, vp-sales
Bryn Bridenthal, vp-publicity & artist devel
Bill Berger, vp-intl
Dave Cline, West Coast genl mgr, regional mktg mgr

ATLANTIC RECORDS
New York
Marketing Personnel

David Glew, exec vp-genl mgr
Mark Schulman, vp-adv
Sal Uterano, vp-sales
Larry Yasgar, vp-singles sales
Hank Caldwell, vp-black music mktg
James Gallo, dir-merch

Advertising Agency

East/West Advertising (in-house)—Marsha Green, media dir.

MTV NETWORKS INC.
New York
Marketing Personnel

David H. Horowitz, president-ceo
Robert W. Pittman, exec vp-coo
Domenick Fioravanti, senior vp-genl mgr, MTV: Music Television, Nickelodeon
Robert Roganti, senior vp-genl mgr, adv sales

Advertising Agencies

LPG Pon, subsidiary of Lois Pitts Gershon, New York—MTV—Dale Pon, president-LPG Pon; Dick Gerson, president-LPG; Leslia Fenn, acct exec.

Scali, McCabe, Sloves, New York—Movie Channel, Nickelodeon—Patrick Hillman, vp-mgmt super; Donald Jackson, acct super; Ann Allerhand, acct exec; Susan Gordon, Stella Barisic, asst acct execs.

WARNER BOOKS
New York
Marketing Personnel

Sol Himmelman, president
Dorothy Crouch, vp-genl mgr
Bill Shinker, vp-mktg

Advertising Agency

Publishers Advertising Associates (in-house)—Mark Greenberg, president.

WEA CORP.
Burbank, Cal.
Marketing Personnel

Robert Moering, natl dir-mktg services
George Rossi, exec vp-sales, promo
Russ Bach, exec vp-mktg devel
Skid Weiss, natl dir-communications
Barbara Burns, natl adv dir
Alan Perper, natl dir-product mgmt
Earl Sayles, dir-black music mktg
Jody Raithel, natl special projects coord
Fran Aliberte, dir-natl sales
Dave Mount, natl video sales mgr

Advertising Agency

WEA Advertising (in-house)—Barbara Burns, natl adv dir.

WARNER SPECIAL PRODUCTS
Burbank, Cal.
Marketing Personnel

Michael Kapp, president
Tony Pipitone, exec vp-treasurer

LICENSING CO. OF AMERICA
New York
Marketing Personnel

Robert F. Bell, exec vp
Leonard F. Reitner, dir-mktg

Advertising Agency

Ferber, Janklow, Chimbel & Bender, New York—Bruce Janklow, president.

WARNER HOME VIDEO
Burbank, Cal.
Marketing Personnel

Warren Leiberfarb, exec vp-genl mgr, worldwide
Gary Marenzi, dir-natl sales
Barbara O'Sullivan, vp-adv & promo

DC COMICS
New York
Marketing Personnel

Jenette Kahn, president-publisher
Paul Levitz, vp-operations
Bruce Bristow, mktg dir

Advertising Agency

Sanford Schwarz & Co., New York—Bernie Slotnik, adv rep.

MAD MAGAZINE
New York
Marketing Personnel

William Gaines, president

WARNER PUBLISHER SERVICES
New York, N.Y.
Marketing Personnel

Lee Rodgers, president
Pat Flaherty, vp-mktg
Mark Greenberg, vp-adv & pr

Advertising Agency

Publishers Advertising Associates (in-house)—Mark Greenberg, president.

LEISURE DEVELOPMENT CORP. OF AMERICA
New York
Marketing Personnel

Norm Elder, vp-mktg

Advertising Agency

Berenter, Elgort and Greenhouse, New York—Bill Berenter, acct exec.

Warner-Lambert Co.

RANK 13

Morris Plains, N.J.

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Sales	3,167	3,108	1.9
Net income	224	200	11.7
U.S.			
Sales	1,910	1,822	4.8
Operating profits	413	380	8.7
Advertising	440	346	27.3
Division sales			
Health care	2,303	2,247	2.5
Gums & mints	635	624	1.8
Other products	229	237	-3.4

Warner-Lambert, Morris Plains, N.J., marketer of popular over-the-counter brands like Rolaids, Listerine, Trident, Dentyne, Certs and Bubblicious, was the 13th largest advertiser with estimated U.S. advertising spending of $440 million in 1984, an increase of 27.3% over 1983 expenditures.

Warner-Lambert's measured ad spending increased 12.8% to $151.5 million, with nonprescription remedy products, gums and mints and the company's "other product" category—which includes Schick and other shaving products—reaping the ad harvest. Worldwide advertising and promotion totaled $607 million, up 2.5% from 1983, according to the company.

The company had total earnings in 1984 of $223.9 million, up 11.7% from 1983, on sales of $3.17 billion, up only 2%. The pattern continued in the first quarter of the current fiscal year as net income rose 11.1% to $60 million and sales edged upward to $795 million, a 2.3% increase over the corresponding period in 1984.

Although ethical healthcare products and prescription pharmaceuticals—sold in the U.S. under such trade names as Parke-Davis and Goedecke—represent 45% of the corporation's sales, little advertising was placed for these products in measured media. One of the few products getting measured support was Warner-Lambert's Lifestyle brand condoms. Thirty-second test spots created by J. Walter Thompson USA were aired on Columbus, O., radio stations and were expanded to cable tv and national radio.

Potential spending waits in the wings for Lopid, an anticholesterol drug now in use tests that may reduce the risk of a second heart attack by 20% to 40%. It could receive regulatory approval for that use by early 1986 if a four-year study of 4,000 men in Finland proves favorable. It is a potential $100 million market.

Warner-Lambert's over-the-counter products, including such widely known names as Gelusil, Rolaids, Bromo-Seltzer, Sinutab, Halls, Mediquell, Listerine and Efferdent, were paced in advertising spending by Listerine and Listermint mouthwashes, which got a 55% increase in ad spending in 1984 over 1983 to a combined $24.7 million. More than 80% of the outlay went to tv. The 105-year-old-Listerine, whose share of the combined total was $17 million, up 19.7%, increased its market share to a record 32% in 1984.

But Listermint slipped one notch in 1984 to No. 4 in the market behind Lever Bros.' Signal brand, the current No. 3. During the year, Warner-Lambert changed the Listermint formulation to fluoride and increased the brand's ad budget to $7.7 million.

Rolaids, Warner-Lambert's market leader in the antacid field with a 35% share of market, showed a 12% increase in measured advertising to $10.7 million, all of it in tv and radio. Split 30-second tv spots were used for the Rolaids and Efferdent denture products in 1984. Efferdent advertising itself dipped slightly in 1984 to $7.2 million from $7.3 million. Advertising for the cough suppressant tablet Mediquell, on the other hand, increased dramatically in 1984, to $6.9 million from $256,900, all on radio and tv.

With 20% of corporate sales in its gums and mint segments, Warner-Lambert puts big advertising dollars into such products as Dentyne, Certs, Chlorets, Chiclets, Trident, Ultramint and Bubblicious bubble gum.

Advertising for Trident sugarless gum and mints increased 17% in 1984, to $17.7 million, as Warner-Lambert faced a big advertising campaign by Wm. Wrigley Jr. Co.'s new aspartame-sweetened Extra gum. Trident gum is in a virtual dead heat with Wrigley's Doublemint as No. 1 seller in the $3 billion worldwide gum market.

Measured advertising for another top-of-the-market Warner-Lambert product, Halls cough tablets—with 55% of the market—remained almost constant at $7.1 million in 1984.

Schick and other shaving products are the major segments of Warner-Lambert's "other products" category, accounting for 7% of company sales in 1984. Although total Schick sales dropped off in 1984, Warner-Lambert is making a strong push for its 2-year-old Schick disposable razors, which are fighting Gillette and Bic products. A tv campaign for Schick disposable razors features San Francisco 49er quarterback Joe Montana, whom Schick officials hope will counter the Bic pitch by pro tennis star John McEnroe. Schick measured advertising in 1984 dropped 28%, despite the new ad campaign, to $5.9 million.

In Warner-Lambert's total measured media advertising in 1984, spending was up for all media except spot radio, which declined 19% to $1.3 million. Magazine was up 40%, to $10.1 million; network tv increased 16.6% to $87 million; network radio was up 4%, to $8.1 million, and cable increased 46%, to $2.9 million.

This year W-L's Joseph D. Williams was elected chairman-ceo. He was named to the ceo post in late 1984, succeeding Ward S. Hagan, who remained as chairman at the time. Mr. Hagan then retired in June, 1985, opening the door for Mr. Williams to step in.

In a major agency change in 1984, Warner-Lambert ended its longtime relationship with William Esty Co. for consumer products such as Clorets, Schick, Lifestyle and Personal Touch women's shavers. The accounts, totaling about $14 million annually, went to J. Walter Thompson USA and Ted Bates Advertising/New York.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,394	1,586
Magazines	10,148	7,266
Network cable	2,922	1,997
Spot tv	40,569	39,439
Network tv	86,976	74,639
Spot radio	1,340	1,661
Network radio	8,143	7,823
Total measured	151,493	134,329
Total unmeasured	288,507	211,221
Estimated total	440,000	345,550

WARNER-LAMBERT CO.
201 Tabor Rd.
Morris Plains, N.J. 07950
(201) 540-2000

Corporate Personnel

Joseph D. Williams, chmn-ceo
Melvin R. Goodes, president-coo
Robert J. Dircks, senior vp-chief financial officer

AMERICAN CHICLE GROUP
Marketing Personnel

John C. Carroll, president
Frederick E. Finlayson, vp-sales
Michael Soriano, dir-prod mgmt

Consumer Health Products Group
Marketing Personnel

Jay M. Gwynne, president
John F. Walsh, vp-prod mgmt
Theodore G. Schable, vp-sales

Advertising Agencies

Ted Bates Advertising/New York—Bubblicious, Halls cough tablets, Mediquell, Rolaids, Trident gum & mints, Efferdent, Effergrip, Suplical, Listermint—Larry Epting, exec vp; Mike Townsend, senior vp-mgmt rep; Tom Hedrick, vp-acct super; Cindy Rosenwald, Shelley Diamond, Carl Nichols, vps-acct supers.

J. Walter Thompson USA, New York—Chewels, Clorets, Listerine antiseptic, e.p.t., Sinutab, Lifestyle, Early Detector, Lubriderm, Schick shaving systems, Personal Touch women's razors—Jack Morrissey, senior vp-group acct dir; Jerry Gottliev, senior vp-mgmt super; Dolly Bodick, Andrew Neisser, Adele Fanalli, Elaine Etkin, acct supers.

Young & Rubicam, New York—Certs, Dentyne—Bill Thompson, group super; Tom Spangenberg, mgmt super; Arlene Frickner, acct super.

PARKE-DAVIS GROUP
Marketing Personnel
James E. Wavle Jr., president
Cal J. Cowles, vp-mktg
Donald A. Swanson, vp-sales
Harry F. Oberkfell, vp-mkt devel
Wayne L. Dickerson, group prod dir
Robert A. Anderson, group prod dir
Russ Moran, group prod dir, otc prod
Advertising Agencies

William Bologna International, New York—Steve Girgenti, exec vp; Frank Hughes, creative dir; Bill Butler, vp-acct super; Phyllis Kehoe, media dir; Joe Garamell, copy super; Mark McDowell, art dir.

Sudler & Hennessey (medical group), New York—Donald Masterson, exec vp-mgmt super; John Rinaldi, James Carlson, senior vps-acct supers; Wendy Mantel, Peter Christopher, Kathleen Jennings, acct execs; Pam Goldman, associate media dir.

Sudler & Hennessey (consumer group), New York—Arthur Rosen, exec vp-group dir, Hano Fuchs, senior vp-group creative dir; Walter Bernd, vp-acct super; Mark Merriman, acct super; Lisa Blumenstein, acct exec; Ken Kopas, media dir.

J. Walter Thompson USA, New York—Jack Morrissey, senior vp-mgmt dir; Jerry Gottlieb, senior vp-mgmt super; Anne Allen, Dolly Bodick, Marty Susz, acct supers; Peggy Yervanian, assoc media dir.

HEALTH TECHNOLOGIES GROUP
Marketing Personnel
Donald E. O'Neill, president
Kirk Merritt, vp-business plan & devel

DESERET MEDICAL INC.
Sandy, Utah
Marketing Personnel
Charles R. Krause, president
Michael S. Fleming, vp-U.S. mktg
Advertising Agencies

Baxter, Gurian and Mazzei, Beverly Hills, Cal.—J.J. Gurian, president.

Tom Ferguson Associates, Parsippany, N.J.—Tom Ferguson, president.

IMED CORP.
Marketing Personnel
John C. Sifers, president
Mark McKenna, dir-product mktg
C.E. Humphrey Jr., dir-natl field sales
Advertising Agency

Maher, Kaump & Clark, Hollywood, Cal. —Norman Maher and Bruce Kaump, principals & acct execs.

REICHERT SCIENTIFIC INSTRUMENTS DIVISION
Buffalo, N.Y.
Marketing Personnel
Paul Creager, president
Louis J. Rodino, dir-mktg & sales
Ron Bridge, genl mgr, fiber optics
Peter N. Kotsifas, mgr-medical mktg & sales
David A. McNally, mgr-industrial mktg & sales
Advertising Agencies

Casey Associates, Holyoke, Mass.—industrial fiber optics prod—Robert Sullivan, acct exec.

Faller, Klenk & Quinlan, Buffalo, N.Y.—scientific & ophthalmic instruments—Lawlor Quinlan, vp.

Legasse Associates, Walpole, N.H.—medical fiber optics prod—David Legasse, president.

RANK
80

Wendy's International
Dublin, O.

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Sales	945	720	31.1
Net income	69	55	24.4
U.S.			
Sales	945	720	31.1
Operating profits	69	55	24.4
Advertising	91	64	40.9
Division sales			
Retail sales	877	666	33.3
Royalties	62	50	24.9
Other	6	5	7.5

Wendy's International, Dublin, O., ranked as the 80th largest advertiser in 1984, with domestic ad spending rising 40.9% to an estimated $90.8 million, as the company achieved what it termed "one of the most successful years in its history."

That is a far too modest appraisal by almost any standard. In truth, the chain experienced one of the most successful years in the history of the restaurant industry as a result of successful new product introductions and a marketing program that became near legendary.

Systemwide (company and franchise-operated stores) sales rose 26% to $2.42 billion in 1983, while the number of restaurants operating rose only 12% to 2,992.

Systemwide average-unit volumes increased better than 13% in 1984, rising to $861,000. By contrast, average-unit volumes at industry leader McDonald's are higher ($1,264,000), but rose only 8% last year.

Some of Wendy's 1984 sales gain can be attributed to the five-variety line of "Hot Stuffed" baked potatoes introduced in November, 1983. That product line was met with skepticism in some corners when introduced, but analysts estimate the item accounted for perhaps 25% of per-store sales at the peak of its initial popularity early in 1984. Wendy's now sells more than 600,000 baked potatoes daily, and the item still represents between 10% and 15% of sales.

The successes of the "Hot Stuffed" potatoes and Wendy's "Garden Spot" salad bars, behind which the chain launched its first magazine advertising campaign, made the chain especially attractive to women. As a result, Wendy's customer base expanded demographically as well as numerically.

But it was one woman in particular who largely was responsible for Wendy's substantial sales gains last year. An octogenarian former beautician named Clara Peller, who had never eaten in a Wendy's until last year, did more for the chain when she simply croaked, "Where's the beef?" than 14 years of previous advertising by Wendy's.

In the summer of 1983, Wendy's national agency Dancer Fitzgerald Sample, New York, and Chicago director Joe Sedelmaier had created a series of commercials depicting customers being "victimized" at "some other hamburger places." The indignities included using frozen beef or making customers wait in line while special orders were prepared.

To begin 1984, a second series of two new ads on the victimization theme were launched. Both featured bewildered customers asking the question, "Where's the beef?" when served small burgers on giant buns.

Mr. Sedelmaier and executives at Wendy's and DFS thought they had two memorable commercials on their hands. And they thought one line, "Yes, it is a big, fluffy bun," delivered by actress Mildred Lane (one of three elderly women featured in one spot), might catch on.

They had the right premonition for the wrong line. After a slow initial reception for the campaign, launched Jan. 9, Wendy's executives began receiving funny field reports. At Watterson High School in Columbus, O., students were chanting "Where's the beef? Where's the beef?" when opposing teams ran out at basketball games. A Denver radio station was running a contest to find someone who could say "Where's the beef?" like actress Clara Peller.

Wendy's extended the commercial's network flight to six weeks from the originally budgeted five weeks. But even after the spot disappeared from the airwaves, "Where's the beef?" mania continued to build.

The commercial became famous enough to attract detractors, among them Gray Panthers national president Margaret Kuhn, and quick-buck artists. Wendy's finally organized an official licensing program to cut off t-shirt and trinket marketers using the advertising line without paying royalties.

When Democratic presidential hopeful Walter Mondale used the line to disparage the programs of rival Sen. Gary Hart, "Where's the beef?" moved from fame to immortality as political cartoonists everywhere incorporated the line into drawings. *Time* and *Newsweek* both covered the ad campaign. Syndicated columnist Bob Greene profiled DFS copywriter Cliff Freeman. Awareness of Wendy's reached an all-time high.

At the end of February, everyone was back in Mr. Sedelmaier's studio to shoot a sequel. A slight delay ensued when Ms. Peller engaged a lawyer/agent to renegotiate her contract. But an agreement was reached, and filming was completed for the spot, in which Ms. Peller and her friends phone the owner of the Big Bun chain that had served the skimpy burger.

"Where's the beef?" III debuted in late August, 1984, coupled with a scratch-card game tied to ABC-TV's "Monday Night Football." One of the new spots—not directed by Mr. Sedelmaier—depicted Clara Peller at a political rally, while another showed her and her two companions roaring through the streets in a 1949 Dodge in their continuing search for "the beef."

The one-time happy working relationship between Wendy's and Clara Peller came to an end this year after the actress appeared in a commercial for Campbell Soup Co.'s Prego Plus spaghetti sauce. When the diminutive actress held up a jar of the sauce and barked "I found it," Wendy's ended the relationship. If "the beef" was going to be found, they argued, it was going to be at a Wendy's rather than on a supermarket shelf.

Wendy's new-found popularity happily coincided with an earlier-devised plan to increase the chain's national advertising profile. Operators had voted to increase their contributions to fund network advertising from 1% to 1.5% of their sales, beginning in 1984.

As a result, the chain had at its disposal a larger tv budget. For the year, Wendy's network tv jumped 86% to $34.7 million from 1983. Spot tv spending rose 25% to $39.4 million.

There's more to dining than beef, and, in November, Wendy's surprised consumers expecting Part IV of the "Where's the beef?" saga by promoting chicken instead. Mr. Sedelmaier produced a new commercial that asserted "parts is parts," to explain that Wendy's chicken sandwich is a breast fillet rather than the chopped "parts" used by some other guys. For "The Challenge of the Chickens," Wendy's spent $15 million.

In 1985, Wendy's has been concentrating on still other nonbeef menu favorites.

It introduced nationally its "Light Menu," which brings together its baked potatoes and salad bar and adds such low-calorie options as light dressings and whole-grain buns. For the "License to eat" campaign, Wendy's also returned to magazine advertising in women's books, which had worked well with the baked potato rollout.

For those who think fast-food should be fun as well as healthy, Wendy's began testing hot dogs in several markets. Soups have appeared on menus in other test sites.

In July, Wendy's finally introduced nationally the breakfast menu it had been tinkering with for years in a succession of test markets. McDonald's already has muffins and biscuits, Burger King has croissants on its breakfast menu, so Wendy's has built its morning menu around that old standby, toast.

La Opinion
La Opinion
La Opinion
La Opinion

The leading Spanish language daily newspaper in the U.S. 213/748-1191

The "Only Wendy's" network tv campaign for the breakfast rollout featured customers lip-syncing a jingle set to the Platters' 1950s hit "Only You." The chain had used a similar technique and the same tune in advertising two years earlier.

Wendy's next move could be expanded availability of a line of dinner platters that have been testing in Cincinnati for several years. Quality-control and preparation snags have kept the line from being rolled out, but Wendy's is known to want to increase dinner business and be the first major chain to introduce a separate dinner menu.

While adding to its menu, Wendy's also has added to its roster of advertising agencies.

Lockhart & Pettus, New York, was added as the chain's first agency of record for black consumer advertising. Similarly, Mendoza, Dillon & Asociados, Newport Beach, Cal., has been assigned advertising for the Hispanic market.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	15	467
Network cable	57	7
Spot tv	39,354	31,224
Network tv	34,688	18,683
Spot radio	489	900
Outdoor	1,730	1,149
Total measured	76,333	52,430
Total unmeasured	14,500	12,022
Estimated total	90,833	64,452

WENDY'S INTERNATIONAL

P.O. Box 256
Dublin, O. 43017
(614) 764-3100

Marketing Personnel

William M. Welter, exec vp-mktg
Bruce M. Ley, vp-corp mktg
Donald F. Calhoon, vp-field mktg and mktg services
Daniel Dahlen, vp-natl adv
Michael Sapienza, vp-mktg analysis, new prod
Denny Lynch, vp-corp communications

Advertising Agencies

Dancer Fitzgerald Sample, New York—Joe Mack, exec vp-mgmt dir; Charles Rath, senior vp-mgmt super; Robert Reed, senior vp-mgmt super.

Lockhart & Pettus, New York—black consumer adv—Keith Lockhart, president; Ronn D. Harris, senior vp, dir-client services; Howard Mason, acct exec; Alicia Evans, acct coord.

Mendoza, Dillon & Asociados, Newport Beach, Cal.—Hispanic consumer adv—Dick Dillon, president; Eduardo del Rivero, acct exec.

SISTERS INTERNATIONAL

Marketing Personnel

J.W. Near; president-coo

Advertising Agency

Stockton West Burkhart, Cincinnati—Ron Klein, acct super.

Some foreign and/or private companies do not divulge sales or income figures. Where estimates could not be obtained, N/As appear in charts and the boxed information preceding each profile to indicate "not available."

Wm. Wrigley Jr. Co.

Chicago

RANK
93

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	591	582	1.5
Net income	40	39	1.3
U.S.			
Sales	417	406	2.6
Operating profits	47	46	0.7
Advertising	70	66	5.9

Wm. Wrigley Jr. Co., Chicago, the nation's 93rd largest advertiser, spent an estimated $70.4 million on national advertising in 1984, up 5.9% from 1983.

Net earnings for the year were $39.7 million on worldwide sales of $590.5 million, increases of 1.3% and 1.5%, respectively. The company attributed the revenue increase to higher unit sales in the U.S., from which it derived about 71% of its total sales.

International sales revenues, especially in West Germany, Austria, Taiwan and Canada, also were higher, in local currencies. But a strong U.S. dollar forced consolidated revenues downward. Wrigley reported its "advertising costs" worldwide as $82.8 million in 1984, down 8.7% from $90.7 million in 1983.

Wrigley continued to spend the bulk of its ad budget on network and spot tv buys. In 1984 Wrigley's total tv spending remained near the $60 million level. Meanwhile, the company moved about $2 million into magazines, a medium it did not use the previous year, according to Leading National Advertisers, which monitors six media. Network radio buys decreased from $3 million in 1983 to less than $1 million in 1984, basically reflecting a halving of measured ad spending for

All advertisers' total 1984 ad spending

Product category	Newspaper	Magazine	Net cable	[illegible]	[illegible]	[illegible]
Apparel, footwear & accessories	$39,589	$239,991	$6,216	$242,378	$116,002	$3,914
Business & consumer services	17,043	412,065	10,834	602,118	505,817	33,539
Insurance & real estate	101,507	78,767	5,948	131,778	79,381	6,155
Computers, office equip.	132,610	320,565	6,672	373,113	63,369	10,598
Publishing & media	230,462	160,715	17,892	29,852	97,977	2,953
Industrial materials	36,348	47,885	N/A	29,070	4,515	271
Freight, ind./agric. devel.	N/A	35,724	2,002	50,406	16,172	2,860
Bus. propositions & employe recruit.	113,919	13,089	66	2,165	1,749	1,252
Toiletries & cosmetics	21,624	333,698	19,886	989,171	278,468	24,610
Drugs & remedies	34,700	129,030	16,620	671,996	176,282	23,198
Food & food products	139,878	289,192	38,170	1,299,819	829,155	31,691
Confectionery, snacks & soft drinks	26,414	46,192	15,651	451,665	337,454	17,853
Beer, wine & liquor	105,292	230,307	2,139	450,659	208,213	11,506
Cigarets, tobacco & accessories	236,354	422,560	2,589	9,680	13,998	233
Jewelry, optical goods & cameras	34,948	107,012	6,325	139,710	64,631	904
Entertainment & amusements	14,239	17,361	5,100	521,013	689,519	2,759
Sporting goods. toys & games	10,655	89,385	8,309	180,002	157,270	174
Pets, pet foods, supplies	8,381	27,320	7,593	174,791	56,249	3,040
Mail order	49,242	290,759	39	59,868	148,660	15,903
Retail	N/A	127,727	8,452	321,298	847,195	26,323
Misc. not itemized	64,915	71,294	611	N/A	76	N/A
Misc. not elsewhere classified	344,028	56,313	8	18,612	381	16
Household furnish./supplies	21,823	93,597	1,570	18,816	35,266	2,943
Household equipment & supplies	27,659	98,054	7,452	251,892	169,153	7,514
Electronic entertainment equip.	N/A	86,719	10,118	73,662	68,164	3,888
Soaps, cleansers & polishes	12,282	35,442	13,673	357,430	142,676	7,243
Bldg. materials, equip & fixtures	93,676	68,707	5,434	120,750	59,553	2,502
Automotive & accessories	499,630	473,704	29,768	800,772	758,564	16,968
Gasoline, lubricants & fuels	21,541	25,553	4,225	48,310	105,277	1,937
Airplanes/aviation access.	3,119	10,003	N/A	5,875	41	N/A
Travel, hotels & resorts	686,601	212,136	8,253	98,119	227,863	4,073
Horticulture & farming	32,885	17,918	1,102	30,531	64,107	3,629
TOTALS	3,161,364	4,668,784	262,717	8,555,321	6,323,197	270,449

Sources: Newspaper figures from Media Records; magazine, net tv, spot tv and net radio from Broadcast Advertisers Reports as supplied by Leading Nationa Advertisers; outdoor from Institute of Outdoor Advertisers and Outdoor Advertising Assn. of America as supplied by Leading National Advertisers; net cable fron Broadcast Advertisers Reports; spot radio from Radio Advertising Bureau.

Hubba Bubba bubble gum.

Leading the company out of a stagnant period was the national introduction of Extra, a sugar-free gum containing NutraSweet, the trade name for G.D. Searle's artificial sweetener aspartame. Wrigley rolled out Extra last summer, several months after placing it in western test markets.

Extra's rollout was backed with a heavy tv and magazine campaign. Although it was not shipped nationwide until mid-year, Extra received more ad support than all but three Wrigley brands: Doublemint, Spearmint and Freedent.

Wrigley has placed heavy emphasis on the sugar-free category because it is the only gum segment that has shown significant growth in recent years. Early this year, the company extended the Extra line by introducing Extra bubble gum. The new product was the first bubble gum with NutraSweet to hit the market. Extra already has proven far more successful than the company's first sugar-free entry, Orbit, whose market share never reached double digits before the brand was phased out last year. By the end of 1984, Extra had moved into the No. 3 position among sugar-free gums, having grabbed an estimated 23% of the fast-growing segment. Warner-Lambert responded by beefing up support for its market-leading brand, Trident. Advertising for Trident sugarless gum and mints increased 17% in 1984, to $17.7 million.

Several other brands are doing battle for market share with Extra and Trident, including Warner-Lambert's Chewels, Life Savers' Care Free and Ragold's Velamints.

Wrigley's top four sugared brands—Doublemint, Spearmint, Juicy Fruit and Big Red—control a combined share of at least 40% of the $1.8 billion in total gum sales. Doublemint continues to reign over all other gum brands with an estimated 17% market share, although Trident is close behind.

The Doublemint campaign, which continued with its longstanding "Double your pleasure" theme, was given a more contemporary look in 1984. More than $15 million was spent on the campaign in 1984, the heaviest support for any Wrigley brand.

Wrigley invested more than $12 million in the Spearmint "Really keeps you hummin' " campaign that was begun in 1982. A new Spearmint campaign, themed "Get the little lift," was launched in June, 1985. The brand currently holds an estimated 10% share of chewing gum sales.

Juicy Fruit, which claims an estimated 8% market share, continued in 1984 using its upbeat youth-oriented theme, "The taste that's gonna move ya," which was begun in 1983.

The company reported that Big Red, a cinnamon-flavored chewing gum, posted its fourth consecutive year of growth. The brand received about $8 million in ad support in 1984, down from close to $10 million the previous year.

To widen its appeal among older consumers, Wrigley added a cinnamon flavor to its Freedent brand. The company continued to back the brand with tv and magazine ads that stressed its breath-freshening ability and the fact that it will not stick to most dental work.

Amurol Products, Chicago, Wrigley's associated company, recorded 1984 sales revenues that were almost even with its all-time high the previous year. Amurol's product roster changes from year to year because many of its gums are novelty brands tied to current fads. In 1985, the company introduced two new flavors: one linked to the Dr Pepper soft drink label and another to the feature film "Rambo," one of the year's biggest box-office draws. The Rambo gum was shaped like bits of shrapnel.

Big League Chew, a shredded bubble gum that has been on the market for several years, continued to be the major contributor to Amurol's performance. Big League Chew, which is packaged in much the same way as chewing tobacco, is very popular with young males who seek to emulate big-league baseball players.

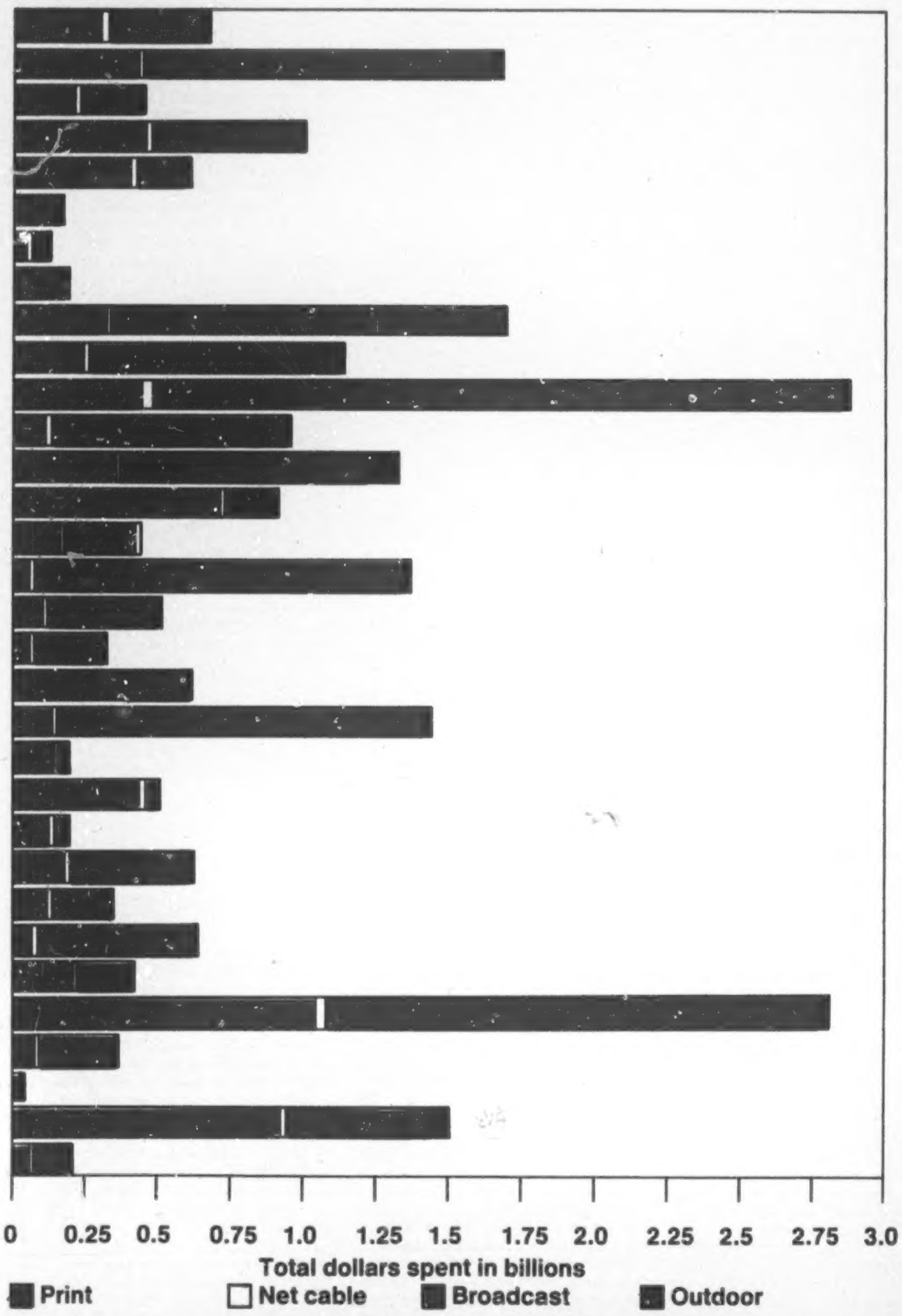
The company has said it plans to continue to focus on the sugar-free segment and that it will substantially increase marketing and promotional support for its brands in the near future to boost volume worldwide.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	1,986	0
Network cable	2,884	2,514
Spot tv	14,920	17,874
Network tv	43,715	42,343
Spot radio	30	24
Network radio	962	2,908
Total measured	64,496	65,663
Total unmeasured	5,904	800
Estimated total	70,400	66,463

by media and product category (000)

[illegible]	Outdoor	Totals
$44,874	$6,219	$699,183
98,202	37,676	1,717,294
32,896	19,346	455,778
45,027	2,639	954,593
15,177	28,054	583,082
N/A	800	118,889
N/A	352	107,516
N/A	337	132,577
29,092	1,631	1,698,180
19,542	4,911	1,076,279
234,277	9,625	2,871,807
40,033	7,383	942,645
177,861	86,804	1,272,781
2,937	184,019	872,370
34,270	3,340	391,140
27,446	32,579	1,310,016
8,281	416	454,492
3,359	63	280,796
N/A	1,438	565,909
42,304	25,211	1,398,510
35,722	N/A	172,618
12,011	52,606	483,975
16,245	753	191,013
N/A	4,516	566,240
13,767	2,105	258,423
31,859	9	600,614
17,913	1,742	370,277
126,462	34,634	2,740,502
43,765	3,052	253,660
N/A	13	19,051
151,857	43,615	1,432,517
28,146	873	179,191
1,333,325	596,761	25,171,918



Top 200 advertisers' spending as % of all advertisers'*

Medium	100 leading national advertisers: Advertising expenditures 1984	1983	% chng.	$ as % of U.S. measured spending by all advertisers 1984	1983	Second 100 leading national advertisers**: Advertising expenditures 1984	1983	% chng.	$ as % of U.S. measured spending by all advertisers 1984	1983	All advertisers: U.S. measured advertising expenditures 1984	1983	% chng.
Newspaper	$986	$946	4.2	31.2	36.8	$167	$159	5.1	5.3	6.2	$3,161	$2,572	22.9
Magazine	2,210	1,904	16.1	47.3	48.3	440	322	36.3	9.4	8.2	4,669	3,939	18.5
Network cable	184	153	20.7	70.2	66.0	24	12	101.0	9.3	5.2	263	232	13.4
Spot tv	2,695	2,484	8.5	42.6	44.7	932	734	26.9	14.7	13.2	6,323	5,558	13.8
Network tv	6,462	5,207	24.1	75.5	74.0	951	751	26.6	11.1	10.7	8,555	7,040	21.5
Spot radio	485	451	7.6	36.4	40.6	164	119	37.9	12.3	10.7	1,333	1,108	20.3
Network radio	144	153	(6.0)	53.1	58.0	34	38	(11.3)	12.5	14.4	270	263	2.7
Outdoor	270	292	(7.3)	45.3	53.0	42	36	16.0	7.0	6.6	597	550	8.6
Farm pubs.	28	26	7.1	37.9	35.6	22	20	12.2	30.5	27.4	73	73	0.7
TOTAL	13,463	11,615	15.9	53.3	54.4	2,776	2,192	26.6	11.0	10.3	25,245	21,335	18.3

* Dollar figures in millions

** ADVERTISING AGE published profiles of the second 100 leading national advertisers June 13, 1985. A list of the second 100 and their total measured advertising expenditures can be found on Page 148 of this issue.

Sources: Newspaper from Media Records; magazine from Publishers Information Bureau as supplied to Leading National Advertisers; network cable from Broadcast Advertisers Reports; spot tv, network tv and network radio from Broadcast Advertisers Reports as supplied to Leading National Advertisers; spot Radio from Radio Advertising Bureau; outdoor from Institute of Outdoor Advertisers and Outdoor Advertising Assn. of America as supplied to Leading National Advertisers; farm publications from Agricultural Marketing Information Services (AGRICOM).

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Marketing Personnel

William Wrigley, president, ceo
Ronald O. Cox, group vp-mktg
R. Darrell Ewers, exec vp-intl
A. Cipollina, vp-sales
N. Hoegh-Guldberg, mktg dir
R.O. Thurlow, genl sales mgr

Sales mgrs: J.C. Barger, southern district; James Johnson, southeastern district; George Palmer, western south district; Ron Kariofiles, eastern district; H.F. Constant, midwestern district; Ron van Rekom, western north district; H.W. Gray, southwestern district; E.L. Kimzey, mid-Atlantic district; L.R. Klein, west central district; J.M. Kroyer, north central district

Advertising Personnel

R.O. Cox, group vp-mktg
Douglas S. Barrie, group vp-intl
Henry J. Berchert, vp-adv

Advertising Agencies

BBDO, Chicago—Doublemint, Spearmint, Big Red, Juicy Fruit, Freedent, Extra—Eric Harkna, president; Andrew Donchak, vp-mgmt super; Dean Proctor, exec vp-mgmt super.

Needham Harper Worldwide, Chicago—Hubba Bubba, Amurol prod, Big League Chew, Tidal Wave—Victoria Mondae, vp-mgmt rep; Mary Ellen Holland, asst acct exec.

RANK 64

Xerox Corp.

Stamford, Conn.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	8,792	8,288	6.3
Net income	291	466	-37.7
U.S.			
Sales	5,585	4,968	12.4
Operating profits	212	341	-37.9
Advertising	128	111	15.3
Division sales			
Info systems/repro.	8,299	7,789	6.5
Financial serv.	2,817	2,395	17.6
Other	493	479	3.0

Xerox Corp., Stamford, Conn., the country's 64th largest national advertiser, spent an estimated $127.6 million on U.S. advertising in 1984, up 15.3% from 1983.

Worldwide, Xerox had a total ad budget of $241.4 million, up 13.5% from 1983, according to the company. The U.S. ad budget included measured advertising of $58.7 million, down 1.1% from 1983, and unmeasured advertising of $68.0 million, up 34%. A Xerox spokesman says unmeasured advertising includes support costs such as direct mail, brochures and advertising salaries, space and materials.

Xerox realigned its measured advertising budget by increasing its network tv spending 51% to $34.3 million and eliminating its network radio budget of $875,000. It also increased its outdoor advertising budget to $108,000 from $4,000.

Other losers were spot radio, down $2.1 million, or 82%; spot tv, down $1.6 million, or 54%; newspapers, down $5.2 million, or 38%; magazines, down $2.3 million, or 15%, and cable tv, down $161,000, or 28%.

Despite the over-all advertising cuts, the company boosted it expenditures for general promotional advertising substantially. Xerox put $8.2 million, or 61.3% more, into promotional advertising in 1984.

This is indicative of the change in mentality the company is going through, says Phil Cavalier, who follows Xerox for Pershing & Co., an arm of Donaldson, Lufkin & Jenrette, New York.

Mr. Cavalier says Xerox has spent the past several years trying to re-establish the reprographics side of its business and has done so. Now it is shifting its attention to the computer output business, particularly its laser printer, copier products and computer communications.

The increased advertising in general promotion, Mr. Cavalier says, represents an attempt to educate buyers and corporate executives about the quality and availability of Xerox computer products.

Xerox points out that this spring Xerox launched its "Directions" campaign, which represented a departure from the company's previous new-product introduction methods.

In the past, the company had introduced one or two products at a time. In April, during "Directions I," it introduced 14 or more new office systems products at one time.

"Directions II," the second of four such announcements scheduled over the next two years, will introduce a like number of new products.

The change to announcing new products in batches gives the company "greater focus if it's done all at once," Xerox says and "reassures the public that Xerox is serious in the office automation area."

Another area that showed a major jump in spending on advertising was that of business machines, which climbed to more than $9.1 million from less than $673,000. This, too, is part of the company's drive to support its computer-oriented business, Mr. Cavalier adds.

He cites the strength of the company's software r&d program and the sophisticated research aimed at inter-computer communications, which he says is the next major area for growth in the company business.

Xerox's r&d spending also reflects the shift in corporate emphasis. Spending on reprographics research has fallen to an estimated $290 million for this year from an estimated $371 million in 1982. Meanwhile, research spending in the information systems area has climbed this year to an estimated $210 million to $225 million from $106 million in 1983.

Xerox also raised spending for its electronic typewriters, whose measured advertising climbed 14.7% to $12.8 million for the year.

The company substantially reduced its advertising for copiers, trimming 34% off its 1983 spending to $15.1 million. It also cut advertising for its Crum & Forster insurance subsidiary by 68% to $62,600.

The drop in copier advertising represented a shift from the startup program supporting the very successful Series 10 copiers, which first were offered in 1983, to "maintenance advertising, which doesn't have to be at such high levels," Mr. Cavalier says.

The strength of the dollar against overseas currencies and the continuing problems in the property and casualty insurance field hurt the company's balance sheet, company officials report.

Operating revenues rose 6.3% to about $8.8 billion, while net income fell 38% to $290.5 million.

The first quarter of this year was not much better. Xerox reported a 9.8% earnings drop for the first quarter to $114 million. Much of the problem was laid to the Crum & Forster insurance subsidiary, whose net income fell 60% to $10 million. The company has raised the insurance subsidiary prices, which it contends have been "grossly inadequate" for several years along with prices among other industry players.

With the higher prices now rolling through, Crum & Forster has begun to show substantial improvement. Within the first half of the current fiscal year, C&F earned $10 million in the first quarter and $4 million in the second, compared with a $25 million gain and a $15 million loss recorded in the respective quarters of 1984. Overall first-half earnings in 1985 at Xerox rose 5.6% to $233.9 million.

Two other segments of Xerox's financial services business—Xerox Credit Corp. and Van Kampen Merritt—did well in 1984. The entire financial services segment generated $2.8 billion in revenues, up 18%, but contributed only $22 million to the company's net income, down from the $163 million the previous year.

Xerox shut down and wrote off its Shugart disc drive operation in 1984, and announced plans to move its Diablo computer printer operations to a highly automated plant in California.

In April, Xerox announced plans to sell its educational publishing operations for a total of more than $500 million. International Thomson Organisation agreed to buy Autex Systems; Gulf & Western Industries will get Ginn & Co.; Field Co. agreed to buy Xerox Education Publications, and Times Mirror Co. will buy Xerox Learning Systems. Reed Holdings, Inc., will buy R.R. Bowker Co., and Elsevier U.S. Holdings Inc. will buy University Microfilms International.

The company also licensed some parts of Savin Technology for possible application in copying and printing. This could lead to a return to the computer wars with possible introduction of a new line of computers manufactured by Olivetti & Co. of Italy.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	8,595	13,824
Magazines	13,351	15,650
Network cable	402	567
Spot tv	1,393	2,997
Network tv	34,258	22,737
Spot radio	477	2,613
Network radio	0	875
Outdoor	108	4
Total measured	58,583	59,263
Total unmeasured	69,000	51,403
Estimated total	127,583	110,666

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Marketing Personnel

Michael Kirby, dir-corp adv & promo
Joseph M. Cooper, mgr-corp adv & promo
David T. Erwin, vp-mktg strategies & services, Business group, Rochester
Douglas McLaine, mgr-mktg communications, Business systems group, Rochester

Advertising Agencies

Needham Harper Worldwide, New York—copiers/duplicators, electronic printers, professional work stations, information processors, personal computers, facsimile transceivers, local area network (Ethernet), computer services—Don Bigda senior vp, group mgmt rep; Bud Gilson, vp-mgmt super.

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